

# [Carbon tax](https://assignbuster.com/carbon-tax/)

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Carbon Tax Carbon tax can be termed as a direct tax imposed on producers on the carbon content emitted in the air. Carbon tax would encourage producers to install pollution control equipment because the imposed tax is so heavy that if one does not install the equipment he will be forced to incur extra expenses, which are not appropriate for business. Eventually the producer will have to bear with the consequences of extra expenses including high electricity bills and slashing of workers. The introduction of carbon tax and the cost of implementing pollution control system have had a significant impact on the firm’s decision making. That is to say firms have decided to go green in the sense that they have had to make some changes in their industries to avoid the heavy tax imposed on them due to the carbon dioxide emissions (Yamin, 2005, p. 244)   
Firstly, the firms have decided to switch to the use of windmills and solar panels for the generation of electricity, which are energy saving equipment and facilities and are less polluting sources of energy. Also, due to the introduction of the carbon tax, firms have decided to dispose of hydroflouralcarbon (HFC) refrigerators that are well known to produce more greenhouse gases than any other fridge. They have decided to replace them with natural refrigeration systems that are commercially available. In addition, due to these taxes, extremely expensive firms have decided to give their employees at least one day in a week to reduce carbon emissions from cars; hence, reducing global warming (Piersall, 2007, p. 65)   
Firms have also made a decision of moving to a paperless technology, which requires keeping electronic records and this makes work easier, and it is perfect for the forests. The firms have also resorted to planting of trees around their companies, which will help suck in the Carbon dioxide, in the air. There is the introduction of virtual meeting in most firms and these is done through online conferencing that is free and easy to use, it saves on time and reduces the use of cars to arrive at the meeting. Also, most firms are now using the electronic mails instead of the traditional mail by posters and this has also reduced the use of papers; hence, being friendly to the environment (Piersall, 2007, p. 65).   
Carbon tax will make the Australian companies find difficulty in competing with other nations in the region. It means the companies are locked in because they do have the option of taking their business offshore. There will also be a significant impact on small and medium enterprises, which service energy intensive industries. It is assumed that while costs increase it will automatically be passed on to consumers, but this is not obvious with the SMEs. It increasingly squeezes their profit margins by increasing the cost burdens; hence, pushing them to the edge where they are forced to close down their businesses (Yamin, 2005, p. 244).   
The carbon tax will affect the developed, as well as the developing countries in a way that if the policy is implemented the developed countries will not strain in making the technological changes while, in developing countries, they will have to struggle between the technological changes and the cost; hence, incurring extra costs. Therefore, not being able to come up with new projects that are green (wolgang, 2000, p. 205).   
The future generation compared with the current generation is predicted to be 50% green. In this case, more and alternative energy technologies will have been available including solar, hybrid cars and electric cars. It is estimated that carbon emissions will be a thing of the past and the generation will be enjoying the green environment (wolgang, 2000, p. 205).   
Bibliography   
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