



# TaxNewsFlash

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## Legislative update: Proposal for border carbon adjustment tariff

U.S. Senator Chris Coons (D-DE) and Representative Scott Peters (D-CA) unveiled a bill—the “Fair, Affordable, Innovative, and Resilient (FAIR) Transition and Competition Act”—that would establish a border carbon adjustment tariff on polluting imports and introduce a polluter import fee.

Read [text of the bill](#) [PDF 52 KB]

According to a [one-page description](#) [PDF 180 KB], the legislation would:

- Recognize the costs incurred by U.S. companies in producing cleaner products due to emissions-related laws and regulations
- Account for those costs by levying a fee on imports in carbon-intensive, trade-exposed sectors
- Support international climate cooperation and the reframing of trade around climate
- Direct revenue to the development and commercialization of high-impact emissions reductions technologies
- Create a new resilient communities grant program for states to support climate adaptation, transition assistance, and communities facing the most severe implications of climate change and pollution

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