Optimal au_z vs. Pollution Aversion (ξ) - Heterogeneous Effects Variable τ_w (IC + HeteroPoll) Fixed τ_w (Pre-existing, HeteroPoll) Fixed τ_w (Opt @ ξ =0.1, HeteroPoll) 10 Optimal Environmental Tax (au_z) 0.2 0.5 0.6 0.1 0.3 0.4 0.7 0.8 0.9 1.0 Pollution Aversion (ξ)