

**JOSH GREEN M.D.**  
GOVERNOR

**SYLVIA LUKE**  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**

Ka 'Oihana 'Auhau

P.O. BOX 259

HONOLULU, HAWAII 96809

PHONE NO: (808) 587-1540

FAX NO: (808) 587-1560

**TESTIMONY OF**  
**GARY S. SUGANUMA, DIRECTOR OF TAXATION**

**TESTIMONY ON THE FOLLOWING MEASURE:**

H.B. No. 760, Relating to Taxation.

**BEFORE THE:**

House Committee on Energy & Environmental Protection and the House Committee on Agriculture & Food Systems

**DATE:** Tuesday, January 28, 2025

**TIME:** 10:00 a.m.

**LOCATION:** State Capitol, Room 325

Chairs Lowen and Kahaloa, Vice-Chairs Perruso and Kusch, and Members of the Committees:

The Department of Taxation ("DOTAX") offers the following comments regarding H.B. 760 for your consideration.

H.B. 760 makes several changes to title 14, Hawaii Revised Statutes (HRS), including: reenacting the Agricultural Development and Food Security Special Fund administered by the Department of Agriculture, funded by the fuel tax in chapter 243, HRS; creating a new Carbon Emissions Tax and Dividend Special Fund in chapter 231, HRS, administered by DOTAX; introducing a refundable Carbon Cashback Income Tax Credit under chapter 235, HRS; increasing the environmental response, energy, and food security tax (also known as the "fuel tax") in section 243-3.5, HRS, and amending the fuel tax distribution protocols. This measure is designed to reduce the consumption of petroleum products and fossil fuels and mitigate the effect of the increased fuel tax on lower-income taxpayers.

Section 2 reenacts the agricultural development and food security special fund. This fund would be financed through deposits from the increased fuel tax, along with any legislative appropriations, grants, donations and interest earned. The Department of Agriculture is charged with submitting annual reports to the legislature on the fund's programs and activities.

Section 3 establishes the new carbon emissions tax and dividend special fund, which would also receive deposits from the increased fuel tax. DOTAX would manage the fund, which would support the administration of the fuel tax, the new income tax credits, and public outreach efforts related to these credits.

Section 4 adds a new section to chapter 235, HRS, creating a refundable "carbon cashback tax credit" based on two gross annual household income brackets, one for single filers, and another for all other filers.

Sections 5 to 8 amend the name of the fuel tax in sections 128D-2, 201-12.8, 243-3.5, and 304A-2169.1 to include Carbon Emissions in its title.

Section 7 increases the tax on each barrel ("barrel tax") or fractional part of a barrel of petroleum product each year from \$3.15 in 2026 to \$40.11 in 2036, with additional annual increases. Similarly, the fuel tax on each one million British thermal units of fossil fuel would increase from \$0.49 in 2026 to \$5.77 in 2036, with additional annual increases.

Section 7 also adjusts the allocations to various special funds of the barrel tax from a set number of cents per barrel to a flat dollar amount and would prioritize the distributions in a specified order. In addition, the measure adds allocations of \$3,000,000 to the new agricultural development and food security special fund, and \$1,000,000 to the new carbon emissions tax and dividend special fund. Moreover, the measure requires that taxes collected for aviation fuel be deposited into airport revenue fund, and taxes collected for small boats be deposited into the boat special fund. The measure also changes the distributions amount of each one million British thermal units tax from a percentage to a flat dollar amount and prioritizes the distribution by the order of the fund listed.

Part III, section 9 appropriates monies from the general fund to be deposited into the new carbon emissions tax and dividend special fund necessary for fiscal year 2025 – 2026. While section 10 makes an appropriation from the carbon emissions tax and dividend special fund to the "carbon cashback tax credit program" within DOTAX,

Part IV, section 11, requires DOTAX to submit annual reports to the legislature detailing information about the carbon cashback program to help the legislature assess the need for adjustments. In addition, section 12 requires DOTAX in collaboration with the office of planning and sustainable development to submit a report to the legislature prior to the 2035 session evaluating the carbon cashback program and any recommended changes to the program.

Part V of the measure states that it is effective upon approval, provided that sections 4 (the tax credit) shall apply to taxable years after December 31, 2024, and section 7 (the fuel tax increase) shall apply to taxable years beginning after December 31, 2025, and part III (the appropriation to the carbon emission tax and dividend special fund) shall take effect July 1, 2025.

First, DOTAX clarifies that as written, the bill permits the use of the carbon emissions tax and dividend special fund to administer the tax and credits pursuant to section 3, but this fund would not be used to pay the carbon cashback tax credit. Any payments to taxpayers resulting from the credit would be issued from the general fund like any normal tax refund.

In section 4, DOTAX recommends that the carbon cashback income tax credit be made nonrefundable, as nonrefundable credits are less susceptible to waste, fraud, and abuse.

Also in section 4, DOTAX notes that a nonresident taxpayer may qualify for the credit, which could result in a larger aggregate credit amount than intended. DOTAX recommends defining “gross annual household income” as Hawaii adjusted gross income and making the credit nonrefundable to prevent nonresident filers without any presence or income in the state from claiming refunds.

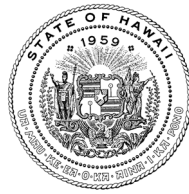
Next, with respect to the bill's changes to the fuel tax in section 7, the separate provisions on page 19, lines 10 to 17, require the taxes paid on aviation fuel and small boat fuel to be deposited into their respective special funds established under section 248-8, HRS. This will cause significant administrative difficulties, as DOTAX is not equipped to track the source of various tax payments and then allocate receipts based on the source of the taxes. Taxpayers currently remit payment for all owed fuel taxes to DOTAX, which allocates the total receipts to the various funds based on percentages or set amounts. DOTAX requests that the sections 243-3.5(b)(8) and (b)(9), HRS, be amended to either 1) allocate amounts to the special funds through an appropriation from

the general fund; 2) make an allocation from collections based on a set dollar amount, as in the preceding subsections; or 3) allocate a percentage of the total amount of fuel tax revenue collected, which could be more easily calculated.

DOTAX also notes that the refundable credit in section 4 is enacted one year before the effective date of the increased fuel tax rates in section 7, potentially creating a revenue shortfall. The appropriations in Part III address this issue, but DOTAX recommends amending the effective dates as stated in the following paragraph to avoid this shortfall.

Finally, DOTAX requests that the effective date of this bill be amended so section 4 (carbon cashback tax credit) applies to tax years beginning after December 31, 2025. This would allow for the necessary form, instruction, and system changes necessary to administer the credit and allow the timing of the credit to coincide with the proposed tax increases in section 7.

Thank you for the opportunity to provide comments on this measure.



JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT GOVERNOR

LUIS P. SALAVERIA  
DIRECTOR

SABRINA NASIR  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
*Ka 'Oihana Mālama Mo'ohelu a Kālā*  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT

**WRITTEN ONLY**  
**TESTIMONY BY LUIS P. SALAVERIA**  
**DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE**  
**TO THE HOUSE COMMITTEES ON ENERGY AND ENVIRONMENTAL PROTECTION**  
**AND AGRICULTURE AND FOOD SYSTEMS**  
**ON**  
**HOUSE BILL NO. 760**

**January 28, 2025**  
**10:00 a.m.**  
**Room 325 and Videoconference**

**RELATING TO TAXATION**

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 760 adds a new section to Chapter 141, HRS, to:

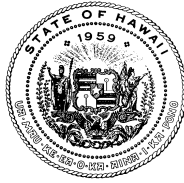
1) re-establish the Agricultural Development and Food Security Special Fund (ADFSSF) within the State treasury to receive a portion of the Environmental Response, Energy, Carbon Emissions, and Food Security Tax (Barrel Tax), and other revenue sources; 2) authorize various expenses from the ADFSSF relating to agriculture; and 3) establish reporting requirements for the Department of Agriculture (DOA). The bill also adds new sections to Chapters 231 and 235, HRS, to establish a Carbon Cashback Tax Credit (CCTC), effective taxable year 2025, and a Carbon Emissions Tax and Dividend Special Fund (CETDSF), to receive a portion from the Barrel Tax for the Department of Taxation (TAX) to administer the Barrel Tax and CCTC. Furthermore, the bill amends Section 243-3.5, HRS, to: 1) increase the Barrel Tax on both petroleum products and non-petroleum fossil fuel products (NPFFP) by varying increments each year from 2026 to 2036 and by a set amount each year thereafter; 2) change the distribution of Barrel Tax revenues on petroleum products and on NPFFP from per unit amounts to flat dollar amounts to various special and revolving funds, including \$3,000,000 for the ADFSSF

and \$1,000,000 for the CETDSF, provided excess revenues shall be deposited into the general fund; and 3) require all taxes on aviation fuel be deposited into the Airport Revenue Fund and all taxes on fuel for small boats be deposited into the Boating Special Fund. Finally, the bill: 1) appropriates an unspecified sum of general funds to be deposited into the CETDSF and the corresponding special fund ceiling for the CETDSF for FY 26; and 2) sets reporting requirements for TAX and the Office of Planning and Sustainable Development.

As a matter of general policy, B&F does not support the creation of any special fund, which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding H.B. No. 760, it is difficult to determine whether the proposed ADFSSF and CETDSF would be self-sustaining.

B&F notes that changing the distribution of Barrel Tax revenues to various special and revolving funds from per unit amounts to flat dollar amounts may unintentionally impact the sustainability of said funds in the long term and will also have an indeterminate impact on the amount of Barrel Tax revenues credited to the general fund each fiscal year. Finally, B&F defers to DOA and TAX on the programmatic impacts of this bill.

Thank you for your consideration of our comments.



STATE OF HAWAII  
DEPARTMENT OF HEALTH  
KA 'OIHANA OLAKINO  
P. O. Box 3378  
Honolulu, HI 96801-3378  
doh.testimony@doh.hawaii.gov

**Testimony COMMENTING on HB760  
RELATING TO TAXATION**

REPRESENTATIVE NICOLE E. LOWEN, CHAIR  
COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION  
AND  
REPRESENTATIVE KIRSTIN KAHALOA, CHAIR  
COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

Hearing Date: January 28, 2025, 10:00AM

Room Number: 325

**Fiscal Implications:** This measure will impact the priorities identified in the Governor's Executive Budget Request for the Department of Health's (Department) appropriations and personnel priorities.

**Department Testimony:** The Department respectfully provides comments on HB760. The bill seeks to amend the environmental response, energy, and food security tax by creating an agricultural development and food security special fund and a carbon tax and dividend special fund in order to reduce fossil fuel consumption. The Department supports the intent to minimize fossil fuel consumption and greenhouse gases; however, we are concerned that the measure reduces the 5 cents per barrel allocation to the Environmental Response Revolving Fund (ERRF) from the current ceiling amount of \$1,250,000 to \$1,201,000. The Department relies on these funds to effectively carry out its mission of protecting human health and the environment. The legislative intent of the ERRF focuses on the removal, remediation and detection of oil and pollutant or contaminant releases; and the removal and remediation of hazardous wastes and any other solid, liquid, or gaseous substance that may harm the

1 environment. The ERRF is utilized when department staff respond to petroleum, hazardous  
2 materials, and other environmental releases. It pays for contract services to the University of  
3 Hawaii for sampling and analysis and contract services for the clean-up and removal of oil and  
4 hazardous waste. Notable examples using the ERRF include petroleum spills from vessels and  
5 stationary devices, unexploded ordnances (UXO's), response to the Red Hill petroleum  
6 contamination, contamination of the drinking water supply from Red Hill, the diesel spill from  
7 the Maui Space Surveillance Complex at Haleakala and response to the Navy plane that  
8 overshot the runway at Kaneohe Marine Corps. In response to the Maui Wildfires, the ERRF  
9 currently supports emergency contracts to conduct air quality sampling and monitoring and ash  
10 sampling and analysis. Additionally, staff traveled to Maui and assisted in the hazardous  
11 materials and marine debris removal.

12 The fund also covers operational expenses of the emergency response staff such as travel,  
13 purchase and maintenance of highly technical and sensitive equipment and personal protection  
14 equipment. Any reduction in the funding amount will negatively impact our operations and  
15 capabilities.

16 Thank you for the opportunity to testify.



**JOSH GREEN, M.D.**  
Governor

**SYLVIA LUKE**  
Lt. Governor



State of Hawai'i  
**DEPARTMENT OF AGRICULTURE**  
KA 'OIHANA MAHI'AI  
1428 South King Street  
Honolulu, Hawai'i 96814-2512  
Phone: (808) 973-9600 FAX: (808) 973-9613

**SHARON HURD**  
Chairperson, Board of Agriculture

**DEAN M. MATSUKAWA**  
Deputy to the Chairperson

**TESTIMONY OF SHARON HURD**  
**CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE JOINT HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL  
PROTECTION AND COMMITTEE ON AGRICULTURE & FOOD SYSTEMS**

**TUESDAY, JANUARY 28, 2025**  
**10:00 AM**  
**CONFERENCE ROOM 325**

**HOUSE BILL NO. 760**  
**RELATING TO TAXATION**

Chairs Lowen and Kahaloe, Vice Chairs Kusch and Perruso, and Members of the Committees:

Thank you for the opportunity to testify on House Bill 760. This bill seeks to amend provisions related to environmental response, energy, and food security to address carbon emissions, gradually increase the tax, establish and appropriate funds to specific programs. The Department of Agriculture (Department) supports this measure.

The Department agrees with the goals of this initiative and particularly appreciates the Legislature's reenactment of the *Agricultural Development and Food Security Special Fund*, which was repealed in 2021. The funds previously available through this program enabled the Department to support a variety of projects aimed at advancing agriculture in Hawai'i. Additionally, the fund served as a critical resource during the initial outbreak of the COVID-19 Pandemic in 2020, helping agricultural businesses address severe cash flow challenges and facilitating partnerships with nonprofit organizations to provide grants to food banks and distribute food to communities in need across the state.

Thank you for the opportunity to testify on this important measure.



**HB-760**

Submitted on: 1/26/2025 11:22:47 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Helen Cox	Kauai Climate Action Coalition	Support	Written Testimony Only

## Comments:

Aloha Chair Lowen, Chair Kahaloa, and members of the EEP and AGR committees:

I am writing to support HB760 on behalf of Kaua‘i Climate Action Coalition, a group of 171 Kaua‘i residents. This bill is an effective way to protect vulnerable kama‘aina families while making the necessary reductions in climate pollution and increasing Hawai‘i’s energy independence.

The bill places a carbon fee on fossil fuels, incentivizing businesses and individuals to use less fossil fuels, the emissions from which we know are creating climate havoc in Hawai‘i and globally.

The carbon fee revenues from the fee are used to fund a climate rebate that is distributed to Hawai‘i tax filers. The climate rebate makes the bill progressive and protects vulnerable lower-income families.

The bill is simple to administer because it relies on existing mechanisms to collect the carbon fee and distribute the climate rebates. Families receive their climate rebates upfront—for the 2025 tax year, while the carbon fee does not start until 2026, starting low and increasing gradually.

There is no one solution to the climate crisis we face, but not taking action clearly leads to disaster. Carbon cashback strengthens and complements other emission reduction programs and has been successful elsewhere. Finally, the bill cashback implements key recommendations of Hawai‘i’s 2020-2022 Tax Review Commission and the Hawai‘i State Energy Office

Mahalo!

Helen Cox, Kalaheo

Chair, Kaua‘i Climate Action Coalition

# Citizens' Climate Lobby Hawaii

hi.ccl.lobby@gmail.com



January 26, 2025

## Strong Support for HB760 Relating to Taxation (Carbon Cashback)

Dear Chair Lowen, Chair Kahaloe, Vice-Chair Perruso, Vice-Chair Kusch, and Members of the EEP and AGR Committees,

On behalf of the Citizens' Climate Lobby (CCL) Hawai'i, I'm testifying in **Strong Support of HB760**, which establishes a carbon emissions tax credit and expands the environmental response, energy, and food security tax to include carbon emissions and re-establishes the Agriculture development and food security fund.

CCL Hawaii has over 1,100 members in four chapters: Hawaii Island, Honolulu, Kauai, and Maui. We advocate for effective, efficient, and fair climate legislation.

CCL Hawaii supports HB760 as it meets the requirements for effective climate action: it

- addresses a key root cause (emissions from burning fossil fuels),
- triggers a broad change in consumption habits to reduce fossil fuel dependence, and
- ensures a just transition for vulnerable members of our community.

Carbon pricing is an essential strategy in our climate change mitigation efforts. It is endorsed by thousands of economists, religious leaders, business groups, and government leaders. Globally, major governments have introduced carbon pricing [1].

Studies at the national [2] and local levels [3] have illustrated the efficacy of carbon pricing in reducing emissions. When coupled with a dividend – carbon tax revenue returned to households – the impact on our lower-income families is positive.

*“Impose a carbon tax to incentivize moving away from carbon-based fuels and adopting clean energy. We recommend that the majority of the proceeds be rebated as a cashback to the residents of Hawai'i, with a disproportionate distribution to low-income households.” - 2020-2022*

Hawaii Tax Review Commission

Pricing carbon pollution will allow us to include the true social costs of carbon emissions into fossil fuels. This will trigger changes in consumer and business behaviors that favor efficiency and clean and renewable solutions. The outcome is a step-change in collective habits that will

help Hawaii reduce its dependence on fossil fuels, accelerate its transition to clean energy, and help create support for national carbon pricing.

Climate change is an existential threat that requires solutions on multiple fronts – emissions reduction, legacy carbon drawdown, and adaptation. The most impactful emissions reduction solution is pricing carbon and returning revenue to people. This is what HB760 will accomplish.

**Please support HB760.**

Respectfully,

Ron Reilly  
**CCL Hawai'i State Coordinator**

**Citizens' Climate Lobby (CCL)** is a nonprofit, nonpartisan, grassroots advocacy organization focused on national policies to address climate change solutions. CCL Hawaii's 1,100+ members are part of a 180,000+ global organization. For more information, visit [citizensclimatelobby.org](https://citizensclimatelobby.org).

---

[1] Sweden introduced a price on carbon in 1991 and has the highest priced currently at \$139/tCO<sub>2</sub>. Its economy has grown by 60% since the introduction, and its emissions have decreased by 25%.  
<https://ourworldindata.org/carbon-pricing-popular>

[2] CCL Carbon Pricing studies. <https://citizensclimatelobby.org/carbon-pricing-studies/>

[3] The UHERO Carbon Pricing Assessment report in April 2021 confirmed the effectiveness of a carbon fee and dividend strategy. <https://energy.hawaii.gov/carbon-pricing-study>. A carbon pricing policy was a top recommendation by the Hawaii Tax Review Commission.  
[https://files.hawaii.gov/tax/stats/trc/docs2022/TRC\\_Report\\_2022.pdf](https://files.hawaii.gov/tax/stats/trc/docs2022/TRC_Report_2022.pdf)



P.O. Box 37158, Honolulu, Hawai`i 96837-0158  
Phone: 927-0709 [henry.lifeoftheland@gmail.com](mailto:henry.lifeoftheland@gmail.com)

COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Rep. Nicole E. Lowen, Chair

Rep. Amy A. Perruso, Vice Chair

COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

Rep. Kirstin Kahaloe, Chair

Rep. Matthias Kusch, Vice Chair

DATE: Tuesday, January 28, 2025

TIME: 10:00 AM

Conference Room 325

Re: HB 760 Taxation

**OPPOSE**

Aloha Chairs Lowen and Kahaloe, Vice Chairs Perruso and Kusch, and Members of the Committees

Life of the Land is Hawai`i's own energy, environmental and community action group advocating for the people and `aina for 55 years. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

Life of the Land supports a low climate impact, renewable energy future that provides high reliability and resilience, while also increasing affordability and equity.

**Life of the Land won two Hawaii Supreme Court cases in 2019-20 mandating that the Public Utilities Commission examine the life cycle (cradle-to-grave) greenhouse gas emissions of projects involving combustion (biofuels and fossil fuels).**

**Life of the Land supported the Renewable Portfolio Standard law since its inception in 2001. The law mandated and effectuated a transition from fossil fuels to renewables.**

The **Indigenous Environmental Network**<sup>1</sup> and the **Climate Justice Alliance**<sup>2</sup> published a report, Carbon Pricing: A Critical Perspective for Community Resistance (2017). “Carbon pricing is a name for a tool that governments, financial institutions, and corporations have adopted in order to try to reconcile their continuing commitment to fossil fuel use with the need to appear to take action on climate change. Carbon pricing includes emissions trading, cap and trade, carbon offset trading, carbon taxes, and penalty and payment schemes.”<sup>3</sup>

---

<sup>1</sup> <https://www.ienearth.org/>

<sup>2</sup> <https://climatejusticealliance.org/members-of-the-alliance/>

<sup>3</sup> <https://www.ienearth.org/wp-content/uploads/2017/11/Carbon-Pricing-A-Critical-Perspective-for-Community-Resistance-Online-Version.pdf>

Carbon taxes are favored by economists who believe that free market price corrections and tweaks are superior to mandates, even though mandated renewable energy requirements have been far more effective in reducing fossil fuel use.

Renewables are cheaper than fossil fuels. Adding a cost to fossil fuels does not decrease use since energy demand is inelastic, people need energy regardless of its cost.

**Carbon taxes increase global greenhouse gas (GHG) emissions.** This is because practically all governments that have carbon taxes have politically defined razing forests and burning the wood as carbon neutral. The resulting conversion from coal to wood increases emissions while reported emissions fall.

Income taxes do not discourage people from working. Marriage taxes do not discourage people from getting married. Carbon taxes do not decrease fossil fuel use. They all say, pay a fee and we will endorse your activity.

A carbon tax would increase the disadvantage of locally produced food as compared to imported food (where neither the embedded GHG nor the GHG from shipping the product to Hawaii is taxed).

**Sunrise Movement**, Evan Weber, national political director: “There’s been a predominant conversation in Washington, D.C., that’s been led by economists and politicians that have tried to frame a carbon tax as the only way... It’s proved time and time again to be not politically popular, and we haven’t even priced the policy

at where economists say it needs to be. The idea that [a carbon tax is] the way out of this mess is something we need to be pushing back on.”<sup>4</sup>

**Food & Water Watch**: “Carbon taxes – while popular with economists – have proven to be ineffective at actually reducing emissions in the real world. And according to research prepared for the Citizens’ Climate Lobby, we will actually see an increase in electricity from fracked gas under a carbon tax plan they studied.”<sup>5</sup>

**Greenpeace**: “Proposals for carbon taxes and cap-and-trade have taken up too much climate-solution oxygen in recent years, and so far they have been flimsy half measures porous with loopholes. They come nowhere close to meeting the scale of the crisis.” Many countries that have imposed a carbon tax have also politically defined tree-based electricity to be carbon neutral, and many of these places have replaced coal-based electricity with tree-based electricity.

Ireland’s Sinn Féin: “*Carbon taxation does not reduce carbon emissions. Carbon tax generates taxes.*”<sup>6</sup>

Letter to Congress by Climate Justice Alliance, Food & Water Watch, Indigenous Environmental Network, Our Revolution, Progressive Democrats of America:

“Fossil fuel interests support a carbon tax because they know it will allow them to continue with business as usual, by merely paying a small tax to

---

<sup>4</sup> There’s been a predominant conversation in Washington

<sup>5</sup> <https://www.foodandwaterwatch.org/2018/04/24/carbon-pricing-5-reasons-it-wont-work/>

<sup>6</sup> [https://www.sinnfein.ie/files/2019/Climate\\_Minority\\_Report.pdf](https://www.sinnfein.ie/files/2019/Climate_Minority_Report.pdf)



continue spewing airborne pollutants that significantly damage the health of disadvantaged communities while continuing to contribute to the ever-present climate emergency.

“A carbon tax will also create more dependence on fossil fuels by connecting government funding to continuing pollution, which will make a transition off fossil fuels all the more challenging to accomplish as social programs will rely on revenue from pollution. This perverse relationship will cause us to choose between the health of vulnerable communities and our climate or funding government programs, a dichotomy we should avoid at all costs.”<sup>7</sup>

“The impossible love of fossil fuel companies for carbon taxes.”

by Alain Naef,<sup>8</sup> Ecological Economics Volume 217, March 2024

“Economists agree that carbon taxes are the most effective solution for climate change mitigation.

“But where do fossil fuel companies stand on carbon taxes? I analyse how the 100 largest oil and gas companies communicate on carbon taxes. Surprisingly,

---

<sup>7</sup> <https://www.foodandwaterwatch.org/wp-content/uploads/2021/09/Oppose-Carbon-Tax-In-BBBA.pdf>

<sup>8</sup> I obtained my PhD from the University of Cambridge followed by a postdoc at UC Berkeley. I taught at Sciences Po, LSE, Warwick, Berkeley and Cambridge. I was a Senior Economist at the Banque de France and a member of the G20 sustainable finance working group. I am the cofounder of sustainable macro. I was awarded the 2024 Young Researchers in Green Finance Award by the Banque de France.

I find that 54% of companies that have a policy on carbon taxes support them (78% for the 50 largest).

“This is puzzling as an effective carbon tax should reduce the revenues and reserve value of fossil fuel companies.

“To understand this paradox, I offer non-mutually exclusive reasons why fossil fuel companies might support carbon taxes. Oil and gas companies could use a carbon tax to get rid of the competition from coal, create a level playing field and remove regulatory uncertainty.

“Or they think that these taxes will not affect them because demand for oil and gas is inelastic or that international coordination will fail and lead to leakages. Finally, it could be that this is simply a communication exercise.

“A carbon tax helps them shift the responsibility from fossil fuel companies to customers, voters and elected officials.”<sup>9</sup>

**NAACP:** Nuts, Bolts, and Pitfalls of Carbon Pricing: An Equity-Based Primer on Paying to Pollute. "Why Carbon Pricing and Trading Is a False Solution. Our research shows that these systems can often play out as what amounts to sophisticated international shell games, where little net decline in emissions occurs

---

<sup>9</sup> <https://www.sciencedirect.com/science/article/pii/S0921800923003087>

because the measures simply serve to transfer pollution from one location or one country to another, depending on who can afford to pollute."<sup>10</sup>

The Trouble with Carbon Pricing: Only a bold approach that centers politics can meet the scale of the climate crisis.<sup>11</sup> By Leah C. Stokes,<sup>12</sup> Matto Mildenberger<sup>13</sup>

“In Norway, which has one of the highest carbon prices in the world, emissions in the oil sector rose by 78 percent between 1990 and 2017. One reason emissions didn’t fall is because of a problem economists call “demand inelasticity”: if an economic activity is extremely profitable, or if there are no easy alternatives, people and companies may not demand less even as prices increase.”

“Evidence suggests carbon pricing won’t drive emissions reductions quickly enough. It is like bringing a stick to a knife fight. The policy might help for a little while, but it’s unlikely to secure a victory without other weapons to attack the problem.”

“As a policy, carbon pricing has the politics backward. It starts by changing the incentives to pollute. Theoretically these incentives will undermine carbon

---

<sup>10</sup> <https://naacp.org/resources/nuts-bolts-and-pitfalls-carbon-pricing-equity-based-primer-paying-pollute>

<sup>11</sup> <https://www.bostonreview.net/articles/trouble-carbon-pricing/>

<sup>12</sup> Assistant professor at the University of California Santa Barbara, the author of *Short Circuiting Policy*, a contributor to the essay collection *All We Can Save*, and co-host of the podcast “A Matter of Degrees.”

<sup>13</sup> Assistant professor at the University of California Santa Barbara and the author of *Carbon Captured: How Business and Labor Control Climate Politics*.

polluters' economic and political power. But this puts the cart before the horse: we need to disrupt the political power of carbon polluters before we can meaningfully reshape economic incentives.”

“Carbon price and dividend gives greater attention to the politics of climate policy than earlier approaches, but it still struggles to make the benefits more salient than the costs. In the two countries with a price and dividend, the benefits are buried in income tax or health insurance forms. In our own research, we find these policies do not substantively increase public support for climate policy.

“This shouldn’t surprise us. Dividends are, at best, a band-aid solution to carbon pricing’s political woes. They create a debate over whether people want a check to cover their increased energy costs. Yes, some would rather have the check, but most would still prefer cheap energy.”

“Carbon pricing may cut pollution in economists’ models. But these models do not include a clear political pathway to turn their results into reality. The idea may be better suited for later stages in society’s decarbonization efforts, to help optimize carbon pollution reduction at the margins. But as a short-term political strategy, it’s deeply flawed.”<sup>14</sup>

---

<sup>14</sup> <https://www.bostonreview.net/articles/trouble-carbon-pricing/>

The UHERO carbon tax study divided the Hawaii economic pie into five classes of 240,000 people each, and found on average, the members of each sector would be better off with the tax.

But the pie can be divided into two other ways. One is by distance travelled to work. The historic development patterns on all islands, but particularly on the Big Island, are that resort workers travel long distances from cheaper areas to live and the expensive resorts where they work. Bus service is very weak to non-existent in many places. These blue-collar individuals would pay much higher carbon taxes.

Another group that would be hit are diversified agricultural farmers who are already struggling against cheaper imports. All inputs associated with local farming – vehicles, fertilizers, pesticides, processing – would face higher prices while imported food would not have higher costs. The state goal to increase local agriculture would take a major hit.

Mandating the use of renewable energy and providing assistance to those at the lower end of the economic spectrum is a proven approach but is unpopular with economists who believe in free market economics.

Mahalo for the opportunity to testify

Henry Curtis  
Executive Director



## Carbon Cashback

January 26, 2025

Aloha Chair Lowen, Chair Kahaloe, Vice-Chair Perruso, Vice-Chair Kusch, and Members of the EEP and AGR Committees:

Carbon Cashback Hawaii is in strong support of HB760.

Carbon Cashback Hawaii advocates for legislation that reduces carbon emissions and strengthens Hawai'i's energy independence while protecting vulnerable kama'āiana families. The carbon cashback program established under HB760 does exactly that. It is not the only policy that Hawai'i needs to achieve these goals, but it is the most effective one, and complements other approaches. The benefits and advantages of the carbon cashback program include:

- 1) It is the most cost-effective policy to reduce carbon emissions as it corrects an existing market failure by internalizing the social cost of burning fossil fuels. It addresses carbon emissions in all sectors of the economy, unlike a narrowly focused gasoline tax.
- 2) Studies conducted on British Columbia's carbon cashback program show the policy has had no measurable negative impacts on its economy.
- 3) It protects low-income households by prepaying the dividend or cashback before the carbon fee goes into effect, and it is progressive, as the cashback increases inversely with income.
- 4) It complements other emission reduction policies. When these policies are combined with price incentives, such as carbon cashback, these policies can result in significant emission reductions.
- 5) Implementation is relatively simple, as it uses existing administrative processes for the barrel tax and income tax to collect the carbon fee and pay the tax credits.
- 6) It reestablishes the Agriculture Development and Food Security Fund

Please note that the University of Hawai'i Economic Research Organization found that a carbon cashback program like the one in HB760 would reduce the state's rate of carbon emissions by about 13 percent—far more than any other other policy considered to date. Hawai'i's 2020-2022 Tax Review Commission put carbon cashback at the top of its list of recommendations. The Hawai'i State Energy Office, in its Hawai'i Pathways to Decarbonization report, included a version of carbon cashback among its recommendations to decarbonize the State's economy.

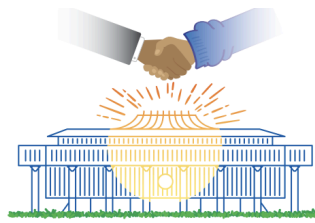
Please pass HB760 out of your committees. It will move Hawai'i a long way towards achieving our climate and energy resilience goals while offering residents the financial means to adapt in a just and equitable manner.

Mahalo nui loa.

---

[www.carboncashbackhawaii.org](http://www.carboncashbackhawaii.org)

[carboncashbackhawaii@gmail.com](mailto:carboncashbackhawaii@gmail.com)



## CLIMATE FUTURE FORUM

Date: January 26, 2025

To: Representative Nicole E. Lowen, Chair  
Representative Amy A. Perruso, Vice Chair  
Members of the House Committee on Energy & Environmental Protection (EEP)

Representative Kirstin Kahaloe, Chair  
Representative Matthias Kusch, Vice Chair  
Members of the House Committee on Agriculture and Food Systems (AGR)

From: Climate Future Forum

Re: **SUPPORT for HB760**

Hearing: 28/01/2025, Tuesday, 10:00 AM

---

On behalf of the Climate Future Forum, thank you for the opportunity to testify in **support of HB760**, which represents a crucial step toward meeting Hawaii's clean economy goals while ensuring the transition is equitable and economically sound. It adjusts the environmental response, energy, and food security tax to address carbon emissions, gradually raising the tax rate over time, creates a refundable tax credit to mitigate the effect of a carbon emissions tax on lower-income taxpayers, allocates funds to the carbon emissions tax and dividend special fund, and reenacts the agricultural development and food security fund.

The carbon cashback program established by this bill would help Hawaii reduce its dependence on imported fossil fuels and encourage a gradual shift toward cleaner energy sources, improving Hawaii's energy security and creating new opportunities for our growing clean energy sector. Research by the University of Hawaii Economic Research Organization confirms that this type of program can effectively reduce emissions while providing economic benefits to most Hawaii households. Their analysis shows this is one of the most cost-effective ways to meet our state's climate goals while protecting vulnerable residents.

This legislation is particularly noteworthy for its focus on equity and fairness. Lower-income households would receive financial support through refundable tax credits, ensuring they are protected from increased energy costs.

The bill would also strengthen Hawaii's food security by reinstating the agricultural development and food security special fund. This recognizes the crucial connection between climate action and local food production, helping to build a more resilient and sustainable Hawaii.

Hawaii has long been a leader in clean energy and climate action. This thoughtfully designed program would help maintain that leadership while ensuring the benefits are shared fairly across our communities. It represents a balanced approach to one of our most pressing challenges.

As a 15-year-old resident, this bill is deeply personal to me because climate change is directly threatening my future and has already impacted my life. Growing up in California, I experienced firsthand how the climate crisis is making natural disasters more severe and frequent. The increasing temperatures and prolonged droughts have created dangerously dry conditions, turning chapparrals into tinderboxes. Dead vegetation accumulates while living plants lose moisture, creating perfect conditions for fires to ignite and spread rapidly. In 2021, my family had to evacuate our home due to an approaching wildfire– an experience that brought the reality of climate change into sharp focus. Now living in Hawaii, I see different but equally concerning impacts of climate change, from coral bleaching to coastal erosion. This isn't just about abstract future threats – climate change is already reshaping my life and the lives of young people everywhere. We need bold action like HB 760 to ensure my generation has the opportunity for a stable and sustainable future.

The Climate Future Forum empowers youth (ages 14–26) to actively engage in shaping and advocating for climate policy and legislation. By bringing together youth, educators, policymakers, and nonprofits, the forum fosters meaningful dialogue on climate action priorities and provides actionable steps to address climate change in Hawai'i. Through discussions involving over 100 youth, the forum has identified key high-priority areas, including regenerative food systems, climate and the economy, clean energy and transportation, climate justice and equity, and sustainable infrastructure.

Thank you very much for your support of youth engagement in climate policy. We respectfully urge the Committees to pass this bill.

Sincerely,  
Sophia Park  
Youth Leader of Hawai'i Climate Future Forum





**HOUSE COMMITTEES ON ENERGY AND ENVIRONMENTAL PROTECTION and AGRICULTURE  
AND FOOD SYSTEMS**

**JANUARY 28<sup>TH</sup>, 2025**

**HB 760, RELATING TO TAXATION**

**POSITION: SUPPORT**

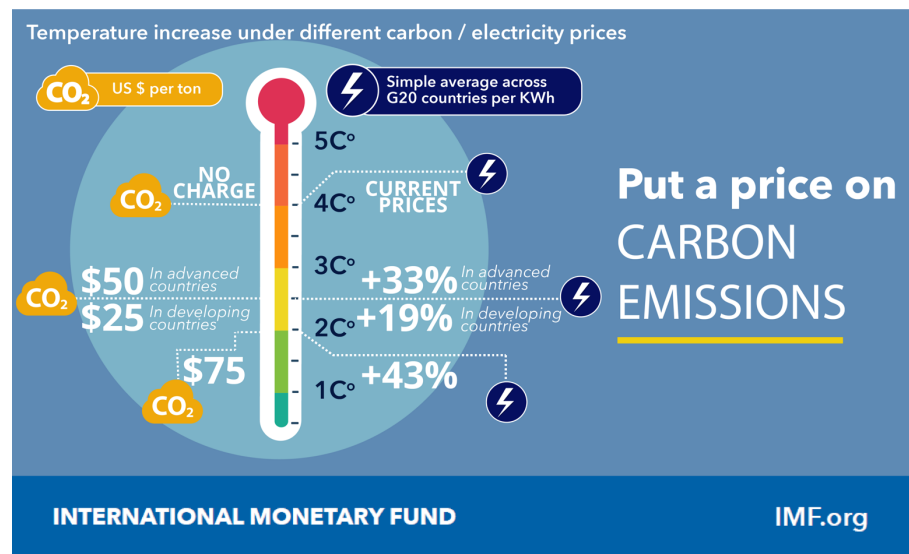
Coalition Earth **supports** HB 760, relating to taxation, which amends the environmental response, energy, and food security tax to address carbon emissions; incrementally increases the tax rate over time; establishes a refundable tax credit to mitigate the effect of a carbon emissions tax on lower-income taxpayers; establishes and appropriates moneys into the carbon emissions tax and dividend special fund; and reenacts the agricultural development and food security special fund.

According to a report produced by the Hawai'i Climate Change Mitigation and Adaptation Commission, global sea levels could rise more than three feet by 2100, with more recent projections showing this occurring as early as 2060. In turn, over the next 30 to 70 years, approximately 6,500 structures and 19,800 people statewide will be exposed to chronic flooding. Additionally, an estimated \$19 billion in economic loss would result from chronic flooding of land and structures located in exposure areas. Finally, approximately 38 miles of coastal roads and 550 cultural sites would be chronically flooded, on top of the 13 miles of beaches that have already been lost on Kaua'i, O'ahu, and Maui to erosion fronting shoreline armoring.

As we work to reduce carbon emissions and stave off the worst consequences of climate change, we must begin preparing for the adverse impact of sea level rise on our shores. We are now quantifying the speed at which we must act. We cannot continue to develop the 25,800-acre statewide sea level rise exposure area—one-third of which is designated for urban use—without risking massive structural damage and, potentially, great loss of life.

Therefore, our state should take steps to protect Hawai'i's coastal areas, including by exploring carbon pricing options. A carbon tax is a fee imposed on the burning of carbon-based

fuels (coal, oil, gas). More to the point, a carbon tax is the core policy for reducing and eventually eliminating the use of fossil fuels whose combustion is destabilizing and destroying our climate, forcing users of carbon fuels pay for the climate damage caused by releasing carbon dioxide into the atmosphere. If set high enough, a carbon tax can be a powerful monetary disincentive that motivates switches to clean energy across the economy by making it more economically rewarding to employ non-carbon fuels and energy efficiency.



Utilizing existing tax collection mechanisms, a carbon tax is paid “upstream,” i.e., at the point where fuels are extracted and inserted into the stream of commerce or imported into the U.S. Fuel suppliers and processors are free to pass along the cost of the tax to the extent that market conditions allow, with market forces simultaneously creating a monetary incentive to reduce carbon dioxide emissions and help our planet curb the climate crisis’s global warming effect. Carbon that is chemically bound into manufactured products—such as plastics—are not be taxed under a carbon tax scheme. This measure would offset a carbon tax’s regressivity by instituting a dividend for taxpayers, which could amount to a credit of \$480 to \$960 it its height.

Notably, a Brookings Institute report found that using 2013 emissions figures, a carbon tax of only \$20/ton would generate an estimated \$365 million for Hawai’i. Other estimates have put that number closer to \$500 million depending on how the tax scheme is structured. Many eminent economists have endorsed a policy that taxes carbon and returns revenues, commonly known as dividends, to households. **The University of Hawai’i Economic Research Organization (UHERO) conducted a study on a carbon tax that was released in April 2021** entitled, "Carbon Pricing Assessment for Hawai’i: Economic and Greenhouse Gas Impacts". The study explored how a carbon tax and dividend policy would affect Hawai’i and **found that it would substantially reduce the consumption of fossil fuels while financially benefiting most Hawai’i households**. Low-income households would experience the greatest financial benefit.

To date, over 3,600 economists had signed a statement on carbon dividends endorsing a carbon tax, including twenty-eight Nobel Laureate economists, four former Chairs of the Federal Reserve, and fifteen former Chairs of the Council of Economic Advisors. The statement reads, in part: "A carbon tax offers the most cost-effective lever to reduce carbon emissions at the scale and speed that is necessary." It goes on to say that the carbon tax should be increased until emission reduction goals are met...to maximize the fairness and political viability of a rising carbon tax, all the revenue should be returned directly to U.S. citizens through equal lump-sum rebates. The majority of American families, including the most vulnerable, will benefit financially by receiving more in 'carbon dividends' than they pay in increased energy prices."

More than forty countries have adopted a carbon tax or other carbon pricing policy, and even more are considering it. **The World Bank asserts that "carbon pricing is the most effective way to reduce emissions, and all jurisdictions must go further and faster in using carbon pricing policies as part of their climate policy packages."** The level of pricing is key, and according to the World Bank, fossil fuels must be priced between \$50 and \$100 per ton of carbon dioxide emissions in the next few years to put the world on the path to achieving the goals of the Paris Agreement.

Two years ago, we witnessed the impact of the climate emergency on our shores. On August 8, 2023, wildfires swept across Maui and killed at least 100 people, making it one of the nation's deadliest natural disasters. The spread of the fires has been attributed to climate change conditions, such as unusually dry landscapes and the confluence of a strong high-pressure system to the north and Hurricane Dora to the south. The wildfires destroyed over 2,200 structures, including numerous residential buildings, historic landmarks, and school facilities. In September 2023, a report from the United States Department of Commerce estimated the total economic damage of the wildfires to be roughly \$5.5 billion. As we accelerate our transition to a clean economy and continue our fight against climate change, we cannot afford to forego this sustainability-minded method of revenue generation.

*Coalition Earth is a nongovernmental organization that works to preserve the well-being of people and our planet. We champion policies that advance climate resilience, clean energy, public health, and economic fairness for working families. Contact us at [info@coalitionearth.org](mailto:info@coalitionearth.org).*

Jan. 28, 2024, 10 a.m.  
Hawaii State Capitol  
Conference Room 325 and Videoconference

**To: House Committee on Energy & Environmental Protection**

**Rep. Nicole E. Lowen, Chair**

**Rep. Amy A. Perruso, Vice-Chair**

**House Committee on Agriculture & Food Systems**

**Rep. Kirstin Kahaloa, Chair**

**Rep. Matthias Kusch, Vice-Chair**

**From: Grassroot Institute of Hawaii**

**Ted Kefalas, Director of Strategic Campaigns**

**TESTIMONY IN OPPOSITION TO HB760 — RELATING TO TAXATION**

Aloha Chairs, Vice-Chairs, and other members of the committees,

The Grassroot Institute of Hawaii is deeply concerned about the potential effects of [HB760](#). Though called a “carbon tax” or “carbon emissions tax,” this bill is functionally a massive increase in the rate of taxation on petroleum and fossil fuels accompanied by a “carbon cashback” tax credit.

The tax credit provision of this bill is intended to help offset some of the economic harm it would inflict, but research by economists affiliated with the Economic Research Organization at the University of Hawai‘i suggests a carbon tax of this type would cause “a reduction of total economic output of 0.6% in 2045 relative to the baseline and the contraction reduces the demand for imports.”<sup>1</sup>

The economists projected that under a taxation scheme like the one proposed in this bill, “non-tourism exports [would] experience the largest relative impact with a decline of almost 5% in 2025 and 5.7% in 2045. The disproportionate impact occurs because prices of export goods rise relative to the price of goods produced

---

<sup>1</sup> Makena Coffman, Paul Bernstein, Maja Schjervheim, Sumner La Croix and Sherilyn Hayashida, “[Economic and GHG impacts of a US state-level carbon tax: the case of Hawai‘i](#),” Climate Policy, Vol. 2, No. 7, 2022, p. 941.

outside of Hawai‘i, causing a loss of competitiveness for Hawai‘i’s non-tourism exports, such as cut flowers and other agricultural products.”

HB760 appears to rely heavily on optimistic best-case scenarios for the implementation of a carbon tax program of this type. However, the bill is not the wisest approach to a tax that stands to profoundly affect every facet of life in Hawaii.

The tax increases proposed in this bill are substantial, tripling the current rate of \$1.05 per barrel to \$3.15 in 2026, tripling it again two years later, and reaching \$40.11 per barrel by 2036. What’s more, this is effectively an infinite tax hike, increasing by \$1.26 every year after 2036.

The cashback proposal outlined in this bill appears to be based on the idea that it is possible to reimburse Hawaii residents for the economic impact of a massive tax hike — as though taxes were simply a question of money-in, money-out, with the state government operating as a type of bank. However, such an approach deeply underestimates the impacts that tax hikes, especially energy tax increases, can have on the economy as a whole.

Higher fuel taxes definitely would make it harder for businesses to survive, which could discourage business investment and rebound on Hawaii employment. Many Hawaii companies are still struggling from the effects of the COVID-era economic downturn and the recent inflationary environment.

Hawaii’s residents and businesses cannot afford new taxes, tax increases, fees or surcharges. A massive increase in the tax rates for fossil fuels and petroleum products will only contribute to the high cost of living, especially the state’s high energy and gas prices. This effect cannot be mitigated by a rebate and would serve only to drive more residents out of our state.

Thank you for the opportunity to testify.

Ted Kefalas  
Director of Strategic Campaigns  
Grassroot Institute of Hawaii



**TESTIMONY OF TINA YAMAKI, PRESIDENT  
RETAIL MERCHANTS OF HAWAII  
January 28, 2025  
HB 760 RELATING TO TAXATION**

Good morning, Chair Lowen, Chair Kahaloa and members of the House Committee on Energy and Environmental Protection and the House Committee on Agriculture and Food Systems. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901, RMH is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, local, national, and international retailers, chains, and everyone in between.

While we understand the intent of this measure, we respectfully oppose HB 760 Relating to Taxation. This measure amends the environmental response, energy, and food security tax to address carbon emissions; incrementally increases the tax rate over time; establishes a refundable tax credit to mitigate the effect of a carbon emissions tax on lower-income taxpayers; establishes and appropriates moneys into the carbon emissions tax and dividend special fund; reenacts the agricultural development and food security special fund; and requires reports to the Legislature.

While it seems like it is only a few cents added to a tax every year, these coins add up when considering the amount of barrel fuel that is used. We must remember that unlike the mainland who has ground shipping, buses, trains, and other modes of transportation between states, Hawaii is very dependent on airlift to and from our state as well as consumer products and goods being delivered either through ships or air cargo.

Should the state mandate a carbon emissions tax on all fuel, it will ultimately drive the prices up not only air travel but also the price of many goods like food and clothing, thus continuing to make Hawaii one of the most expensive places to live.

We have already seen a substantial increase in shipping rates over the past few years to and from and in between the islands. A carbon tax would add to the cost of doing business. Unfortunately, our neighbor islands would be adversely affected as many items arrive in Honolulu before being shipped to the various islands. As you may be aware, products are more expensive on the neighboring islands due to transportation costs.

**The consumer prices for all items climbed 3.4% in 2023 and another 2.9% in 2024.** Adding a carbon tax, retailers will pass on the cost to the customer. Those who are on a fixed income or at the poverty level will feel the impacts of price increases as their dollars no longer stretches like it used to for food, good, clothing... And while we acknowledge the tax rebate, many cannot wait for the rebate.

However, retailers are not always able to pass on the increased costs pushed onto them. Many items have a tag with the Manufacture Suggested Retail Price (MSRP) for which is the highest price a store will sell an item. If we sell above the MSRP, customers will find the item elsewhere cheaper such as online or when they shop when visiting outside the state. No customer sales mean no revenue to pay employees, taxes, rent... **Retailers look at other ways to make up for the loss – hiring freeze, opening for shorter hours, closing on certain days, not renewing leases on all locations, investing in self-checkouts, or closing their brick-and-mortar store to sell only online to name a few.**

We have all seen the price increases when we go to the grocery store or purchase new shoes or clothing. If we continue to drive up the costs of goods being sold in Hawaii, we will see more people ordering online on sites that offer free shipping and may not have any ties to Hawaii. **As a result, we may see even more of our local stores having to lay off their employees as they close for good. Let's not price Hawaii out of the reach of more locals to continue to live here.**

We urge you to hold this measure. Mahalo for this opportunity to testify.



3610 Waialae Ave • Honolulu, HI 96816



(808) 592-4200



tyamaki@rmhawaii.org

**HB-760**

Submitted on: 1/27/2025 9:44:50 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Julie Tam	Citizens Climate Lobby at the University of Hawai'i at Manoa	Support	Written Testimony Only

## Comments:

Aloha Chair Lowen, Chair Kahaloe, and members of the EEP and AGR committees:

As university students deeply concerned about the impacts of climate change on our current lives and the future of our planet, we strongly support this bill because it reduces climate pollution and increases Hawai'i's energy independence while protecting vulnerable kama'aina families. Urgent and effective action on climate change is needed to maintain the livability of Hawai'i and our planet.

The bill places a carbon fee on fossil fuels, incentivizing businesses and individuals to use less fossil fuels, the emissions from which are warming the Earth and creating climate havoc in Hawai'i and globally. By addressing these emissions now, we can ensure a more stable and sustainable future for generations to come.

The carbon fee revenues are used to fund a climate rebate that is distributed to Hawai'i tax filers. This climate rebate makes the bill progressive and protects vulnerable lower-income families while ensuring that those most affected by rising energy costs receive direct financial relief.

Additionally, carbon cashback policies bring along visitors as part of the solution, ensuring that everyone who contributes to Hawai'i's carbon footprint also contributes to its mitigation. This approach fosters a shared responsibility in tackling climate change, benefiting both residents and visitors alike.

Carbon cashback delivers emission reductions consistent with Hawai'i's goals. It strengthens and complements other emission reduction programs, creating a comprehensive approach to tackling climate change. Furthermore, carbon cashback reduces our dependence on imported fossil fuels, making Hawai'i more energy-independent and resilient to global energy market fluctuations.

The bill is simple to administer because it relies on existing mechanisms to collect the carbon fee and distribute the climate rebates efficiently.

Hawai'i must take a multi-pronged approach to reduce carbon emissions and lessen our dependence on fossil fuels that are subject to the price volatility of the global market. This bill helps achieve those goals efficiently and equitably, and works well with other policy approaches.

Mahalo!

Citizens Climate Lobby at the University of Hawai'i at Mānoa



# TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

---

SUBJECT: INCOME, FUEL, Adoption of Carbon Tax, Income Tax Credit for Low Income Ratepayers

BILL NUMBER: HB 760

INTRODUCED BY: PERRUSO, BELATTI, GRANDINETTI, HASHEM, LA CHICA, MARTEN, POEPOE, SAYAMA

EXECUTIVE SUMMARY: Establishes a carbon emissions tax credit. Expands the environmental response, energy, and food security tax to include carbon emissions.

SYNOPSIS: Adds a new section to chapter 141, HRS, to establish an agricultural development and food security special fund. The fund would receive a portion of the carbon tax, and could be expended by the Department of Agriculture, subject to legislative appropriation, for:

- (1) The awarding of grants to farmers for agricultural production or processing activity;
  - (2) The acquisition of real property for agricultural production or processing activity;
  - (3) The improvement of real property, irrigation systems, and transportation networks necessary to promote agricultural production or processing activity;
  - (4) The purchase of equipment necessary for agricultural production or processing activity;
  - (5) The conduct of research on and testing of agricultural products and markets;
  - (6) The funding of agricultural inspector positions within the department of agriculture;
  - (7) The promotion and marketing of agricultural products grown or raised in the State;
- and
- (8) Any other activity that is intended to increase agricultural production or processing and that may lead to reduced importation of food, fodder, or feed from outside the State.

Adds a new section to chapter 231, HRS, to establish a carbon emissions tax and dividend special fund. The fund is to be administered by the Department of Taxation and shall be expended for salaries, contracted services, supplies, and other administrative expenses to:

- (1) Administer the environmental response, energy, carbon emissions, and food security tax;
- (2) Administer the refundable tax credits established by this bill; and
- (3) Increase public awareness and interest in the refundable tax credits established by this bill.

Adds a new section to chapter 235, HRS, granting a carbon cashback refundable tax credit to mitigate the effect of a carbon emissions tax on taxpayers.

<b>For single taxpayers:</b>	
<b>Gross Annual Household Income Cutoff</b>	<b>Credit Amount</b>
<b>\$80,000</b>	<b>\$ 50</b>
<b>\$70,000</b>	<b>100</b>
<b>\$60,000</b>	<b>150</b>
<b>\$50,000</b>	<b>200</b>
<b>\$40,000</b>	<b>250</b>
<b>\$30,000</b>	<b>300</b>
<b>\$20,000</b>	<b>350</b>
<b>For head of household, married filing separately, or married filing jointly:</b>	
<b>Gross Annual Household Income Cutoff</b>	<b>Credit Amount</b>
<b>\$100,000</b>	<b>\$100</b>
<b>\$90,000</b>	<b>125</b>
<b>\$75,000</b>	<b>200</b>
<b>\$60,000</b>	<b>300</b>
<b>\$40,000</b>	<b>400</b>
<b>\$30,000</b>	<b>500</b>
<b>\$20,000</b>	<b>600</b>

Defines a "qualifying taxpayer" as a taxpayer who files an individual return and who has an gross annual household income in the creditable range specified above. However, the term shall not include any person who is claimed or is otherwise eligible to be claimed as a dependent by another taxpayer for federal or Hawaii state individual income tax purposes.

Amends section 243-3.5, HRS, to rename the barrel tax the “environmental response, energy, carbon emissions, and food security tax.” Raises the tax from \$1.05 on each barrel or fractional part of a barrel of petroleum product to the following:

<b>Calendar Year</b>	<b>Amount Per Barrel</b>
<b>2026</b>	<b>\$ 3.15</b>
<b>2027</b>	<b>5.25</b>
<b>2028</b>	<b>9.45</b>
<b>2029</b>	<b>13.65</b>
<b>2030</b>	<b>17.85</b>
<b>2031</b>	<b>22.05</b>
<b>2032</b>	<b>26.25</b>

<b>2033</b>	30.45
<b>2034</b>	34.65
<b>2035</b>	38.65
<b>2036</b>	40.11
<b>For each year thereafter add</b>	1.26

Replaces the existing earmarks of taxes with the following (per fiscal year), with any excess going to the general fund:

- (1) \$1,201,000 to the environmental response revolving fund;
- (2) \$892,800 to the energy security special fund;
- (3) \$1,116,000 to the energy systems development special fund;
- (4) \$669,600 to the electric vehicle charging system subaccount;
- (5) \$669,600 to the hydrogen fueling system subaccount;
- (6) \$3,000,000 to the agricultural development and food security special fund;
- (7) \$1,000,000 to the carbon emissions tax and dividend special fund;
- (8) All taxes paid on gasoline or other aviation fuel sold for use in or used for airplanes shall be deposited in the airport revenue fund; and
- (9) All taxes paid on gasoline, diesel, or other fuel sold for use in or used for small boats shall be deposited in the boating special fund.

For non-petroleum fossil fuels, the tax per one million BTU is increased from 19 cents to:

<b>Calendar Year</b>	<b>Amount Per Million BTU</b>
<b>2026</b>	\$ 0.49
<b>2027</b>	0.79
<b>2028</b>	1.39
<b>2029</b>	1.99
<b>2030</b>	2.59
<b>2031</b>	3.19
<b>2032</b>	3.79
<b>2033</b>	4.39
<b>2034</b>	4.99
<b>2035</b>	5.59
<b>2036</b>	5.77
<b>For each year thereafter add</b>	0.18

Replaces the existing earmarks of taxes with the following (per fiscal year):

- (1) \$49,000 to the environmental response revolving fund;
- (2) \$147,000 to the energy security special fund; and
- (3) \$98,000 to the energy systems development special fund.

Provides that any grandfather protection given to power purchase contracts in existence upon approval of the bill is lost when the contracts are extended or replaced.

Makes technical and conforming amendments.

**EFFECTIVE DATE:** Upon approval, provided that Section 4 shall apply to taxable years beginning after December 31, 2024; Section 7 shall take effect January 1, 2026 and apply to taxable years beginning December 31, 2025 and Part 3 shall take effect on July 1, 2025.

**STAFF COMMENTS: Carbon Tax Generally:** An economist from UHERO, the University of Hawaii Economic Research Organization, posted an analysis arguing that strong, decisive action such as a carbon tax is going to be needed if we are going to achieve the greenhouse gas goals. “But without any specifics as to how we are to achieve [greenhouse gas] reductions – through a carbon tax or otherwise – it is largely symbolic,” she argues.

So what is a carbon tax? It is a tax imposed on the carbon content of different fuels. Typically, it is due and payable when the fuel is either extracted and placed into commerce, or when it is imported. At present, neither the U.S. federal government nor any U.S. state has enacted a carbon tax. The city of Boulder, Colorado, enacted one by referendum in 2006; it applies at the rate of \$7 per metric ton of CO<sub>2</sub> and is imposed on electricity generation only. Several European Union countries, Japan, and South Africa have carbon taxes.

Presently, we have a liquid fuel tax (chapter 243, HRS). Like a carbon tax, the fuel tax is imposed upon import and entry into commerce. So, PFM Group, the consultant employed by the Hawaii Tax Review Commission, in its final report thought that the systems and processes we now have in place to collect fuel tax in Hawaii can be adapted to a carbon tax, and for that reason concluded that a carbon tax would entail “[l]ittle administrative burden.” There are, however, several important differences between the two.

Both the county and state governments are given the power to impose fuel tax. This bill does not repeal the state fuel tax and does not affect the counties’ power to impose fuel tax. Rather, the carbon tax is to replace the barrel tax which is now imposed at \$1.05 per barrel of imported petroleum product and on other fossil fuels based on BTU equivalent.

The potential big losers will be the electric companies, because electric generation accounted for 6.8 million metric tons of CO<sub>2</sub> that Hawaii produced in 2013 out of a total 18.3 million metric tons. However, the electric companies won’t simply absorb the tax, but can be expected to pass on the enhanced costs to anyone who gets an electric bill.

Maybe it’s good for lawmakers to worry about the end of the world as we know it, which perhaps will be staved off by the social change the tax encourages. But their constituents are worried not about the end of the world, but the end of next week. Will their paychecks be

enough to pay the rent, keep the lights on, or feed the family? If the cost of simply driving to work from the suburbs is horrible now, just wait until the tax kicks in.

And if you think the hammer of a carbon tax will fall most heavily on huge, faceless corporations like the electric company, the airlines, or the shippers, think again. Businesses can and will pass on any enhanced costs to their consumers if they hope to continue providing their products or services. That means our already astronomical cost of living could head further up into the stratosphere.

**Different Sources of Carbon Emissions:** Different fuels emit different amounts of carbon when burned. However, the tax rates in this bill do not differentiate between types of fuels burned.

**Applicability of Tax to Aviation Fuel:** There is an issue as to whether this tax as applied to aviation fuel would be preempted by federal law. The federal Anti-Head Tax Act, 49 U.S.C. § 40116, prohibits any tax, fee, or charge first taking effect after 1994 exclusively upon a business located at an airport unless the tax, fee, or charge is wholly utilized for airport or aeronautical purposes. 49 U.S.C. § 40116(d)(2)(A)(iv). Although the bill states that tax collected on aviation fuel is paid to the airport fund, there is an issue as to whether the tax credit to mitigate the effect of a carbon emissions tax on taxpayers would be considered a use of the tax that is unrelated to airport purposes. This would be a question of federal, not state, law.

Digested: 1/25/2025

Aloha Chair Lowen, Vice Chair Perruso, Representative Kahaloa, Representative Kusch, Representative Quinlan, and Representative Ward,

On behalf of Greenpeace Hawaii's members and supporters statewide we stand in **STRONG OPPOSITION** to HB760 Relating To Taxation that "Amends the environmental response, energy, and food security tax to address carbon emissions. Incrementally increases the tax rate over time."

Greenpeace Hawaii feels it is important for the Energy & Environmental Protection Committee to know that green-washing carbon pricing and taxing schemes like Carbon Cashback are strongly opposed by over 100 Climate, Environment and Justice Organizations including 350.org, Climate Justice Alliance, Earth Day Network, Energy Justice Network, Food & Water Watch, Foreign Policy in Focus, Greenpeace USA, Indigenous Environmental Network, Life of the Land, and the National Association for the Advancement of Colored People, just to name a few. **[1] See below: Open Letter To Citizens Climate Lobby In Regard To Concern To Carbon Fee And Dividend.**

Just a few of the reasons the major Climate, Environment and Justice Organizations oppose carbon pricing and taxing schemes like Carbon Cashback is because in their 30 years history they have been completely ineffective in reducing carbon emissions; and they raise prices on all goods and services thus having a negative financial impact on local businesses, low-income families, people of color, and indigenous communities.

*"I will not sell or exchange my life and my health for a check. To me, that would be the same as authorizing someone to pollute me...Just to make matters simple for people who are very aggressive and want to tell me how I don't understand how this is going to benefit me. Nothing taking away my life and my health will ever benefit me, so there's no explanation that you can ever give me that will make me support any of this no matter what name you call it."* - Kathy England, NAACP National Board of Directors.

**[2] See below detailed reports by the University of Toronto, NAACP, Indigenous Environmental Network, Food & Water Watch, and Earth Justice Network on why carbon pricing and taxing schemes have not, will not, and cannot lower carbon emissions, and why low-income families, people of color, and indigenous communities suffer the greatest hardship when they are implemented.**

Some key points of our concerns regarding Carbon Cashback include:

1) A Carbon Cashback Tax will make an insignificant reduction in carbon emissions. According to the UN IPCC report if we are to avoid Climate breakdown we need to lower global carbon emissions by 45% by 2030. It's important to note that Carbon Cashback Hawaii acknowledges that the Carbon Cashback Tax will only cut carbon emission by 10% over 20 years, this means projections for the CO2 reductions amount will average only half of a percent per year, which does not even come close to making a dent in what is needed.

*"What does stopping oil, coal, and gas at the source look like? It means no new drilling, no new oil and gas pipelines, and no new mining. Proposals for carbon taxes and cap-and-trade have taken up too much climate-solution oxygen in recent years, and so far they have been flimsy half measures porous with loopholes. They come nowhere close to meeting the scale of the crisis."* - Annie Leonard, Greenpeace USA

2) Carbon Cashback is based on an unproven theory that carbon pricing and taxes can reduce carbon emissions. A peer reviewed research paper examined all 37 studies that assessed the actual effects of carbon pricing policy on emissions reductions concluded that overall, aggregate reductions from carbon pricing has a limited impact on emissions—generally between 0% and 2% per year. The author summed her finding up, stating: *“We’ve now had 30 years of experience on carbon pricing, and not a hell of a lot to show for it.”* - Jessica Green, Professor studying Climate Change, Carbon Markets, & Fossil Fuel Companies at The University of Toronto. **[3] See below Does Carbon Pricing Reduce Emissions? A Review Of Ex-Post Analyses – Peer Reviewed Research Paper.**

3) Carbon Cashback will have a negative financial impact on low-income families who drive the furthest to work. Carbon Cashback Hawaii acknowledges and the UHERO report confirms that folks who drive the furthest to work will be negatively impacted financially by the Carbon Cashback Tax, but say they're a small percentage of commuters. So we checked it out and it's true according to HDOT only about 3% are super commuters, however this is over 17,000 people statewide who will be negatively impacted financially by a Carbon Cashback Tax. Three percent doesn't sound like a lot, but 17,000 people is a lot, and low-income families, who live the furthest from their work, and are already struggling to make ends meet, will be hit the hardest financially by a Carbon Cashback Tax. This fact was confirmed by Senators Fevella and Richards who opposed last years Carbon Cashback legislation SB2525 specifically because it would definitely hurt their constituents financially.

4) The Carbon Cashback rebate will only cover the cost of fossil fuels for individuals, but local businesses will not benefit from a Carbon Cashback Tax and so will have to raise their prices to cover the additional cost of the Carbon Cashback Tax. The Carbon Cashback Tax will increase overall prices on everything disadvantaging low-income families, local consumers and businesses. This fact was confirmed by the Chamber of Commerce Hawaii, Grassroot Institute of Hawaii, The Hawaii Farm Bureau, Island Plastic Bags Inc., and Retail Merchants of Hawaii who all testified that 2023's SB2525 Carbon Cashback Tax would raise prices on all goods, and it will particularly hurt local businesses.

5) Carbon Cashback puts the cart before the horse and doesn't provide for the infrastructure needed for people to transition off of fossil fuels. The goal of a Carbon Cashback Tax is to raise the price on gasoline to make clean energy transportation the more affordable way to travel. However, commuters won't be able to give up their gas powered vehicles without first having the systems in place to support making the transition, like public transportation and adequate public electric vehicle charging stations. The Carbon Cashback Tax places a financial burden on residents without providing the essential infrastructure needed for our communities to transition to a low carbon economy.

6) Carbon Cashback is a tax and a fee or tax condones an activity making it legal for fossil fuel companies to continue to pollute. Where as a fine or prohibition makes the activity illegal. Putting a tax on carbon legalizes pollution and gives the fossil fuel industry a way to pay a tax and yet continue to expand production of planet killing fossil fuels.

We doubt very much that anyone in Hawaii would think that we should be dealing with the Red Hill fuel leak crisis or PFAS in our drinking water by putting a price on a gallon of jet fuel or PFAS in our drinking water and then use that money to try to fix our water infrastructure in the years to come.

7) Citizen Climate Lobby, the national organization that promotes carbon pricing and taxing schemes like Carbon Cashback is very selective in the reports and data that they share, and they neglect to share reports and data that undermine or refute their claims. For instance Citizen Climate Lobby's flagship of supposed carbon tax success is Canada's carbon tax that has actually turned out to be a complete

failure. Canada's carbon tax faces increasing anger from consumers and demand for the tax to be repealed, because it has raised the price of goods in Canada, and has provided insignificant reductions in cutting CO2 emissions.

**[4] See below multiple reports on the failure of Canada's carbon tax and articles documenting growing opposition and demand to repeal Canada's carbon tax.**

About Greenpeace

Greenpeace was founded in 1971 and is the largest environmental organization in the world with chapters in 55 countries across Europe, the Americas, Africa, Asia, Australia, and the Pacific.

Greenpeace's mission is to “ensure the ability of the earth to nurture life in all its diversity.”

Greenpeace's goals are to:

- Stop the planet from warming beyond 1.5° to prevent the most catastrophic impacts of the climate breakdown.
- Protect biodiversity in all its forms.
- Prevent pollution and abuse of our oceans, land, air and water.
- End nuclear threats.
- Promote peace and global disarmament.
- Slow the volume of hyper-consumption and learn to live within our means.
- Promote renewable energy as a solution that can power the world.

Greenpeace has played a significant role in raising public awareness about the dangers of global warming since the 1990s.

Greenpeace works directly with scientists around the world to conduct research and provide scientific advice on the climate and environment. Greenpeace Research Laboratories and School of Biosciences at the University of Exeter in the UK employs a team of scientists who specialize in climate modeling and researching environmental issues like climate change, pollution, and hazardous chemicals.

Together with the European Renewable Energy Council, Greenpeace formulated a global energy scenario, "Energy Revolution", where 80% of the world's total energy is produced with renewables, and the emissions of the energy sector are decreased by over 80% of the 1990 levels by 2050.

Mahalo for your kind attention,  
Dave Mulinix, CoFounder & Hawaii State Representative  
Greenpeace Hawaii

References:

[1] Open Letter To Citizens Climate Lobby In Regard To Concern To Carbon Fee And Dividend - Energy Justice Network. <http://www.energyjustice.net/files/climate/CCLsignon.pdf>

[2] Detailed reports by the University of Toronto, NAACP, Indigenous Environmental Network, Food & Water Watch, and Earth Justice Network on why carbon pricing and taxing schemes have not, will



not, and cannot lower carbon emissions, and why low-income families, people of color, and indigenous communities suffer the greatest hardship when they are implemented.

Does Carbon Pricing Reduce Emissions? A Review Of Ex-Post Analyses - Research paper by Jessica Green, Professor studying Climate Change, Carbon Markets, & Fossil Fuel Companies at The University of Toronto. <https://iopscience.iop.org/article/10.1088/1748-9326/abdae9>

National Association for the Advancement of Colored People (NAACP) Report  
Nuts Bolts And Pitfalls Carbon Pricing Equity Based Primer Paying Pollute  
Why Carbon Pricing and Trading Is a False Solution  
<https://naacp.org/resources/nuts-bolts-and-pitfalls-carbon-pricing-equity-based-primer-paying-pollute>

Climate Justice Alliance and Indigenous Environmental Network Report  
Carbon Pricing A Critical Perspective for Community Resistance  
<https://www.ieneearth.org/wp-content/uploads/2017/11/Carbon-Pricing-A-Critical-Perspective-for-Community-Resistance-Online-Version.pdf>

Food & Water Watch Report  
Off Course: Carbon Pricing Myths and Dirty Truths  
[https://www.foodandwaterwatch.org/wp-content/uploads/2021/06/IB\\_2106\\_AgCarbonOffsets-WEB-1.pdf](https://www.foodandwaterwatch.org/wp-content/uploads/2021/06/IB_2106_AgCarbonOffsets-WEB-1.pdf)

Energy Justice Network Report  
Are Carbon Taxes Another False Solution?  
<https://energyjustice.net/are-carbon-taxes-another-false-solution/>

[3] Does Carbon Pricing Reduce Emissions? A Review Of Ex-Post Analyses - Research paper by Jessica Green, Professor studying Climate Change, Carbon Markets, & Fossil Fuel Companies at The University of Toronto. <https://iopscience.iop.org/article/10.1088/1748-9326/abdae9>

[4] Multiple reports on the failure of Canada's carbon tax and articles documenting growing opposition and demand to repeal Canada's carbon tax.

Food & Water Watch Report  
The British Columbia Carbon Tax. A Failed Experiment in Market-Based Solutions to Climate Change  
[https://www.foodandwaterwatch.org/wp-content/uploads/2021/09/rpt\\_1609\\_carbontax\\_web17011.pdf](https://www.foodandwaterwatch.org/wp-content/uploads/2021/09/rpt_1609_carbontax_web17011.pdf)

AgEcon Search: Research in Agricultural and Applied Economics Report  
The Impact of Carbon Tax on Food Prices and Consumption in Canada  
<https://ageconsearch.umn.edu/record/275913?ln=en&v=pdf>

CBC News - Nov 8, 2023. Why Everyone's Fighting Over The Carbon Tax (again) | About That  
<https://www.youtube.com/watch?v=cPZcPtomehQ>

Le Monde - April 2024: Carbon Tax Faces Growing Opposition In Canada.  
The April 1 increase in the carbon tax instituted by Prime Minister Justin Trudeau in 2019 has rekindled anger among its critics.  
[https://www.lemonde.fr/en/economy/article/2024/04/17/carbon-tax-faces-growing-opposition-in-canada\\_6668763\\_19.html#](https://www.lemonde.fr/en/economy/article/2024/04/17/carbon-tax-faces-growing-opposition-in-canada_6668763_19.html#)

CBC News - June 2024: The Carbon Tax Has Plagued The Liberals Politically. Research Says That's Not Surprising.

Visibility of costs detracts from popularity, paper suggests.

<https://www.cbc.ca/news/politics/carbon-tax-political-popularity-research-1.7221908>

Reuters - September 2024: Canada May Reach 2030 Emissions Goal Without Unpopular Carbon Tax

<https://www.reuters.com/sustainability/climate-energy/canada-may-reach-2030-emissions-goal-without-unpopular-carbon-tax-2024-09-19/>

The Week - October 2024: Canada's Carbon Tax In The Crosshairs

PM Justin Trudeau's flagship green policy has become increasingly unpopular as citizens suffer in cost-of-living crisis

<https://theweek.com/environment/canadas-carbon-tax-in-the-crosshairs>

AgEcon Search: Research in Agricultural and Applied Economics

The Impact of Carbon Tax on Food Prices and Consumption in Canada

T. Wu, P.J. Thomassin, Research Papers in Economics (International Association of Agricultural Economists)

<https://ageconsearch.umn.edu/record/275913?ln=en>



I strongly oppose HB760 for the following reasons:

1. carbon tax would be detrimental to the United States economy.
2. It will be a levy on work, business and American consumption, a lever to pull down our standard of living while enlarging government even further.
3. According to Andrew F. Quinlan, president and co-founder of the Center for Freedom and Prosperity, the EPA's own models show that entirely eliminating all carbon emissions in the United States — and impractical and undesirable goal — would reduce warming by little more than a tenth of a degree by the end of the century.” Over just 20 years, that would be \$6 trillion in added taxes to nick a mere tenth of a degree from the global temperature. This is plainly unreasonable and foolish.
4. Implementing a carbon tax suggests that everyone, including poor household, will get rebates of \$2,000 a year or more a year. If they do, those rebates will be spent on higher prices for energy, manufactured goods and services. It’s another form of poor policy promoting redistribution of wealth on the back of taxpayers.
5. The last thing the U.S. should be considering right now is a deadly new tax on the economy.

Respectfully submitted,

Jamie Detwiler, President  
Hawaiian Islands Republican Women



January 27, 2025

Testimony on HB 760 Relating to Taxation

COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Rep. Nicole E. Lowen, Chair

Rep. Amy A. Perruso, Vice Chair

COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

Rep. Kirstin Kahaloa, Chair

Rep. Matthias Kusch, Vice Chair

Chairs Lowen and Kahaloa, Vice Chairs Perruso and Kusch and Members of the Committees:

Airlines for America (A4A) is the trade association for the leading U.S. passenger and cargo airlines.<sup>1</sup> As your Committees continue the important task of considering legislative responses to the challenges posed by climate change, we want to take this opportunity to highlight the U.S. airlines' strong record in this regard and to point out federal pre-emption issues related to the aviation component of the proposal. While states are precluded from imposing carbon taxes, emissions trading systems and other emissions measures on aircraft fuel and aircraft, we also note that additional carbon regulation of the airlines and their fuel is unnecessary given our industry's commitments to climate action and federal law and international agreements already addressing aircraft greenhouse gas (GHG) emissions.<sup>2</sup>

### **U.S. Airlines' Strong Record on Climate and Sustainability**

As the record of the A4A carriers demonstrates, we take our role in GHG emissions very seriously. U.S. airlines boast a tremendous fuel and GHG emissions record, accounting for only 2 percent of the nation's GHG emissions inventory while transporting a record 2.5 million passengers and 58,000 tons of cargo each day. At the same time, U.S. airlines drive 5 percent of GDP.

These numbers are not happenstance. As an industry, we have achieved this strong environmental record by driving and deploying technology, operations, infrastructure and sustainable aviation fuel (SAF) advances to provide safe and vital air transport as efficiently as possible within the constraints of the air traffic management system. For the past several decades, airlines have dramatically improved their fuel efficiency and reduced their CO<sub>2</sub> emissions by investing billions in fuel-saving aircraft and engines, innovative technologies like winglets (which improve aerodynamics) and cutting-edge route-optimization software. But, despite our strong record, A4A and our member airlines are not stopping there.

---

<sup>1</sup> A4A's members are Alaska Airlines, Inc.; American Airlines Group, Inc.; Atlas Air, Inc.; Delta Air Lines, Inc.; Federal Express Corporation; Hawaiian Airlines, Inc.; JetBlue Airways Corp.; Southwest Airlines Co.; United Airlines Holdings, Inc.; and United Parcel Service Co. Air Canada, Inc. is an associate member.

<sup>2</sup> We expressed these same views last year on House Bill 1319, which was carried over to the current legislative session. See pages 52-54 of [https://www.capitol.hawaii.gov/Session2021/Testimony/HB1319\\_HD1\\_TESTIMONY\\_CPC\\_02-16-21\\_.PDF](https://www.capitol.hawaii.gov/Session2021/Testimony/HB1319_HD1_TESTIMONY_CPC_02-16-21_.PDF).

On March 30, 2021, A4A announced a significant strengthening of our climate commitments.<sup>3</sup> Together with our member carriers, we pledged to work across the aviation industry and with government leaders in a positive partnership to achieve net-zero carbon emissions by 2050.<sup>4</sup> With consistent analyses showing that tremendous quantities of SAF must be deployed for the industry to meet its climate goals, A4A carriers also pledged to work with the government and other stakeholders toward a rapid expansion of the production and deployment of commercially viable SAF to make 2 billion gallons available to U.S. aircraft operators in 2030. On September 9, 2021, as a complement to the federal government's announcement of a SAF "Grand Challenge," A4A and its members increased the A4A SAF "challenge goal" by an additional 50 percent, calling for 3 billion gallons of cost-competitive SAF to be available to U.S. aircraft operators in 2030.<sup>5</sup>

The efforts our airlines are undertaking to further reduce GHG emissions are designed to limit their fuel consumption, GHG contribution and potential climate change impacts responsibly and effectively, while allowing commercial aviation to continue serving as a key contributor to the U.S., global, Hawai'iian and local economies.

### **Federal Law Governs the Use of Aviation Fuel Tax Revenues**

Federal law requires that the revenue from any tax on aviation fuel enacted or increased after 1987 be used solely for aviation purposes.<sup>6</sup> Because HB 760 would direct revenues from aviation fuel taxes to purposes other than aviation, the bill would violate federal law. The Federal Aviation Administration actively monitors compliance with the federal law and can impose sanctions on the state including withholding Airport Improvement Program (AIP) grants, civil penalties and filing an application in a U.S. District Court for a compliance order.

Hawai'i's current barrel tax has an exemption for aviation fuel, but SB 760 would strike that exemption.

We encourage the legislature and other interested parties to work together on measures to increase in-state production and deployment of SAF as a constructive alternative to unnecessary and federally preempted carbon emissions taxes on aviation fuel. We respectfully request that the bill be amended to maintain the current exemption.

Thank you for your consideration.

Sincerely,



Sean Williams  
VP, State and Local Government Affairs  
swilliams@airlines.org

---

<sup>3</sup> See <https://www.airlines.org/news/major-u-s-airlines-commit-to-net-zero-carbon-emissions-by-2050/>.

<sup>4</sup> On October 4, 2021, the International Air Transport Association and its member airlines followed suit by also committing to achieve net-zero carbon emissions by 2050. See <https://www.iata.org/en/pressroom/2021-releases/2021-10-04-03/>.

<sup>5</sup> See <https://www.airlines.org/news/u-s-airlines-announce-3-billion-gallon-sustainable-aviation-fuel-production-goal/>. On the federal government's SAF Grand Challenge, see <https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/09/fact-sheet-biden-administration-advances-the-future-of-sustainable-fuels-in-american-aviation/> and <https://www.energy.gov/eere/bioenergy/sustainable-aviation-fuel-grand-challenge>.

<sup>6</sup> See 49 U.S.C. sections 47107(b) and 47133; Federal Aviation Administration, Policy and Procedure Concerning the Use of Airport Revenue, 64 Fed. Reg. 7696 (Feb. 16, 1999), and 79 Fed. Reg. 66282 (Nov. 7, 2014).



#### Officers

Kaipo Kekona  
State President

Anabella Bruch  
Vice-President

Maureen Datta  
Secretary

Reba Lopez  
Treasurer

Aloha Chairs Lowen and Kahaloa, Vice Chairs Perruso and Kusch, and Committee Members,

#### Chapter Presidents

Clarence Baber  
Kohala, Hawai'i

Tony Vera  
East Hawai'i

Puna, Hawai'i

Andrea Drayer  
Ka'u, Hawai'i

Maureen Datta  
Kona, Hawai'i

Fawn Helekahi-Burns  
Hāna, Maui

Mason Scharer  
Haleakalā, Maui

Kaiea Medeiros  
Mauna Kahālāwai,  
Maui

Kaipo Kekona  
Lahaina, Maui

Kilia Avelino-Purdy  
Moloka'i

Negus Manna  
Lāna'i

The Hawaii Farmers Union is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. **HFUU supports HB760.**

HB760 represents a pivotal advancement in Hawaii's commitment to environmental sustainability and agricultural resilience. By amending the environmental response, energy, and food security tax to specifically address carbon emissions, this bill acknowledges the urgent need to reduce our carbon footprint while simultaneously supporting local food systems. The incremental increase in tax rates reflects a thoughtful approach, allowing for gradual adaptation and ensuring that both the economy and community have the time to adjust effectively. Importantly, the introduction of a refundable tax credit is a critical measure to shield lower-income taxpayers from any potential financial burdens, making this an equitable initiative that considers all demographics in our state.

The reestablishment and funding of the agricultural development and food security special fund further underscores the bill's holistic approach to supporting Hawaii's farmers. This fund will enable investments in local agriculture, fostering innovation and sustainability practices that are essential for food security and environmental stewardship. As stewards of the land, farmers understand the profound impact of climate change and the need for proactive strategies to mitigate its effects. By backing HB760, we're investing directly in the future of Hawaii's agricultural landscape, ensuring that farmers have the resources and infrastructure necessary to reduce carbon emissions and enhance food sovereignty.

Mahalo for the opportunity to testify.

Kaipo Kekona, President HFUU/HFUF

India Clark  
North Shore, O'ahu

Christian Zuckerman  
Wai'anae, O'ahu

Ted Radovich  
Waimānalo, O'ahu

Vincent Kimura  
Honolulu, O'ahu

Natalie Urminska  
Kaua'i



# MAUI

## CHAMBER OF COMMERCE

### VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEES ON  
ENERGY & ENVIRONMENTAL PROTECTION and AGRICULTURE & FOOD SYSTEMS  
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 325  
Tuesday, January 28, 2025, 10:00 A.M.

To The Honorable Nicole E. Lowen, Chair  
The Honorable Amy A. Perruso, Vice Chair  
Members of the committee on Energy & Environmental Protection  
To The Honorable Kirstin Kahaloa, Chair  
The Honorable Matthias Kusch, Vice Chair  
Members of the committee on Agriculture & Food Systems

#### COMMENTS ON HB760 RELATING TO TAXATION

The Maui Chamber of Commerce would like to offer **COMMENTS on HB760** which amends the environmental response, energy, and food security tax to address carbon emissions; incrementally increases the tax rate over time; establishes a refundable tax credit to mitigate the effect of a carbon emissions tax on lower-income taxpayers; establishes and appropriates moneys into the carbon emissions tax and dividend special fund; and reenacts the agricultural development and food security special fund.

The Chamber acknowledges the importance of reducing carbon emissions. However, we are deeply concerned about the potential impact of this tax, especially given the current high inflation and cost of living in Hawaii. We recognize that many factors contributing to our high cost of living, such as taxes and transportation costs, are controlled by government policies. While we understand that the state is recovering in terms of visitor arrivals and GDP, Maui is still lagging behind, which continues to negatively impact our businesses and residents.

Imposing additional taxes on fuel could place a severe burden on local families who are already struggling. According to the United Way, 44% of households in Hawaii fall below the ALICE threshold and are already struggling to make ends meet. While we understand that taxpayers could recoup the taxes paid through the tax credit, many cannot afford the upfront increase in fuel costs, which would significantly impact their weekly budgets. This tax would also affect businesses, including those with commercial fleets, boating activities, fishing operations, and small businesses. Ultimately, additional costs would be passed on to consumers, further increasing the financial strain on residents. Moreover, while a business tax credit may be proposed, it would still affect a business's weekly cash flow, adding another layer of financial pressure.

We also recommend that the bill include an estimate of the per-gallon tax increase so that the general public can better understand its potential impact.

We thank you for the opportunity to provide **COMMENTS on HB760**.

Sincerely,

Pamela Tumpap  
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.





Testimony Before the House Committees on Energy & Environmental Protection  
and Agriculture & Food Systems

By David Bissell  
President and Chief Executive Officer  
Kaua'i Island Utility Cooperative  
4463 Pahe'e Street, Suite 1, Līhu'e, Hawai'i, 96766-2000

Tuesday, January 28, 2025; 10:00 am  
Conference Room #325 & Videoconference

**House Bill No. 760 – RELATING TO TAXATION**

To the Honorable Chairs Nicole Lowen and Kirstin Kahaloa, Vice Chairs Amy Perusso and Matthias Kusch, and Members of the Committees:

Kaua'i Island Utility Cooperative (KIUC) is a not-for-profit utility providing electrical service to more than 34,000 commercial and residential members.

**KIUC opposes this measure.**

Over the past 10 years, KIUC has significantly increased its renewable generation. In 2010, KIUC's energy mix included 10% renewable. Over the past five years, renewable production on Kaua'i has averaged between 50% and 70%. We estimate for 2024 we achieved roughly 50% renewable.

This means we are still using significant amounts of fossil fuel, and anticipate that usage will remain relatively stable until 2029 when new renewable projects come on line. By 2028, we estimate at the current consumption of fossil fuel, the additional cost of these proposed increases will be roughly \$4 million per year, which will be passed directly to ratepayers at a cost of approximately \$4 per month.

KIUC has met and exceeded all benchmarks associated with the State's renewable portfolio standard and has set its own strategic goal of reaching 100 percent renewable by 2033: 12 years ahead of the State mandate. We believe HB 760 does not acknowledge these efforts, causes a redundancy with State law mandating 100% renewable energy generation by 2045, and would adversely impact KIUC's members (ratepayers).

Mahalo for the opportunity to comment.



**HB-760**

Submitted on: 1/24/2025 8:43:05 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Christine Daleiden	Individual	Support	Written Testimony Only

Comments:

Please support this bill to make Hawaii more energy independent and reduce carbon emissions, while protecting vulnerable Kamaaina families.

**HB-760**

Submitted on: 1/25/2025 7:41:26 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Barbara Best	Individual	Support	Written Testimony Only

Comments:

Carbon Cashback is the onlly state bill which will reduce emissions! Plus it's budget neutral, efficient, complementary to other climate bills. WE MUST MEET OUR CLIMATE GOALS! Carbon pricing is recommended by thousands of prominent economists besides climate activists and the U.N. plus carbon pricing is advised in a UHERO study commissioned by the legislature.

Mahalo, Bobbie Best, Wailuku

**HB-760**

Submitted on: 1/25/2025 11:22:29 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ruth Robison	Individual	Support	Written Testimony Only

## Comments:

Dear Members of the House Committee on Energy & Environmental Protection (EEP) and House Committee on Agriculture & Food Systems (AGR):

Thank you for hearing HB 760. I support this bill because it will reduce carbon emissions in Hawai'i by charging a fee of companies that import fossil fuels. It will distribute those funds to Hawai'i's people to offset the increase in cost that the fossil fuel companies will pass on to consumers. Low-income families will benefit the most because they use less fossil fuel energy. Many economists favor this disincentive for fossil fuels because it will be simple to implement and effective in quickly reducing carbon emissions. We are running out of time and need this solution in addition to whatever else we can manage to do. Thank you for considering my testimony and for your service to the people of Hawai'i.

**HB-760**

Submitted on: 1/25/2025 11:53:30 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Keith Neal	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Lowen, Chair Kahaloa, and members of the EET and AGR committees:

I strongly support HB760 because it delivers on emission reductions consistent with Hawaii's goals. This bill reduces climate pollution and increases Hawai'i's energy independence while protecting vulnerable families.

Hawaii has declared a climate emergency and set a goal to be carbon negative by 2045. If we are to do so, Hawaii needs to reduce emissions economy-wide. We need policy that addresses emissions in all sectors. HB760 would lead to about a 10% reduction in cumulative CO2 emissions from 2025 to 2045.\*

\*Source: University of Hawai'i Economic Research Organization (UHERO) study entitled (April 2021)

Mahalo,

Keith Neal

Waimea

**HB-760**

Submitted on: 1/25/2025 12:36:39 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Caroline Azelski	Individual	Support	Written Testimony Only

Comments:

Support: It's time.

Aloha Chair Lowen, Chair Kahaloa, and members of the EEP and AGR committees.

We need to reach Hawaii's climate goals. This bill, HB760, complements other climate bills. Implementation will be efficient and cost almost nothing. Residents will be given more money, generally, than before this bill is implemented.

Mahalos

Rick Martinelli  
Haiku Laboratories

**HB-760**

Submitted on: 1/25/2025 3:41:55 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jacob Wiencek	Individual	Oppose	Written Testimony Only

Comments:

Aloha Committee Members,

I write today in OPPOSITION to this proposed carbon tax. Addressing climate change and ensuring a clean environment are critical and laudable goals for Hawaii. Our unique and fragile ecosystem requires constant vigilance and tending.

However, a state carbon tax is not the proper route. A federal level carbon tax may work but the costs for just Hawaii would be too great to bear. We are already one of the highest taxed states in the Union and Hawaii, sadly, consistently ranks as one of the most uncompetitive states for business. This must change.

I urge the Committee to REJECT a proposed Hawaii carbon tax!

**HB-760**

Submitted on: 1/26/2025 6:05:35 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Virginia Tincher	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Lowen, Chair Kahaloa, Vice-Chair Perruso, Vice-Chair Kusch, and Members of the EEP and AGR Committees:

I'm writing in **strong support of HB760**. Every bill which moves Hawaii closer to energy independence is important. The risk of supply disruption from weather and political events is growing. I'm concerned about the well being of my daughter and granddaughter, friends and all residents of Hawaii.

Carbon cashback along with other bills you and others have introduced in support of local renewable solutions including lenergy production, electric vehicles and electrification of buildings will move us quickly forward towards energy independence.

Please pass HB760 out of your committees.

Mahalo nui loa,

Virginia Tincher



**HB-760**

Submitted on: 1/26/2025 9:35:53 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ashley Boggs	Individual	Support	Written Testimony Only

## Comments:

I would like to submit my support of HB760- it's essential that we decrease climate pollution urgently, while also not increasing the burden on low income households in Hawaii.

The longer we wait to take measures to decrease carbon emissions (climate pollution), the more difficult and drastic measures will be needed in the future. This is well designed, logical, and measured way to help decrease climate pollution in Hawaii. Receiving the climate rebates up front helps families right away.

**Position: Strongly Support**

Carbon pricing is the most effective measure to mitigate carbon emissions. It is widely implemented by developed nations around the world and has driven down emissions substantially. Hawaii has so far chosen not to participate in this climate saving mechanism and as a result is one of the world leaders in carbon emissions per capita and has carbon emissions that are rising.

With climate change threatening the future habitability of our planet and no way to reverse the damage we're doing today, it's necessary we act as fast as possible to stop our participation in the continual destruction of our planet.

Since carbon pricing is one of the most studied carbon mitigation policies, there is ample evidence for you to decide that this is the correct course of action. Hawaii's commission on climate change has [recommended](#) that you adopt a carbon pricing program. This is what the [carbon pricing study](#) that the legislature asked for recommended as well.

Not only is this policy the right decision for our environment, but it's also great tax policy. Carbon pricing is the number one [recommendation](#) of the Tax Review Commission.

Please take the advice of the climate change experts and pass this bill.

Mahalo,

Nate Hix  
808.469.8740

**HB-760**

Submitted on: 1/26/2025 10:44:48 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Steve Slater	Individual	Support	Written Testimony Only

Comments:

Please support HB 760, the Carbon Cashback bill. It is vital legislation; we need to act now to reduce carbon in the atmosphere. Mahalo.

**HB-760**

Submitted on: 1/26/2025 12:16:00 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert Pearsall	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Lowen, Chair Kahaloa, and members of the EEP and AGR committees:

**I strongly support this bill** because it reduces climate pollution and increases Hawai‘i’s energy independence while protecting vulnerable kama‘aina families.

The bill places a carbon fee on fossil fuels, incentivizing businesses and individuals to use less fossil fuels, the emissions from which are warming the Earth and creating climate havoc in Hawai‘i and globally.

The carbon fee revenues are used to fund a climate rebate that is distributed to Hawai‘i tax filers. The climate rebate makes the bill progressive and protects vulnerable lower-income families.

The bill is simple to administer because it relies on existing mechanisms to collect the carbon fee and distribute the climate rebates.

Hawai‘i must take a multi-pronged approach to reduce carbon emissions and lessen our dependence on fossil fuels that are subject to the price volatility of the global market. This bill helps achieve those goals efficiently and equitably and works well with other policy approaches.

Mahalo!

Robert Pearsall, Honolulu, HI 96815



**HB-760**

Submitted on: 1/26/2025 12:30:05 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Cathryn Kelley Smith	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Lowen, Chair Kahaloa, and members of the EEP and AGR committees:

**I strongly support this bill** because it reduces climate pollution and increases Hawai‘i’s energy independence while protecting vulnerable kama‘aina families.

For the well-being of our descendants and the planet we need to rely on alternative energy.

Mahalo,

Cathryn Kelley Smith

Kihei, Maui

Aloha Chair Lowen, Chair Kahaloa, and members of the EEP and AGR committees:

My name is Maya Gaudiano and I am a 16 year old student at Punahou School. Chair Kahaloa, I had the pleasure of working with you this past November at Climate Future Forum in the Regenerative Agriculture group discussion and workshop. I am in strong agreement with this bill because it reduces climate pollution and increases Hawai'i's energy independence while protecting vulnerable kama'aina families. As a part of this state's youth, I find that it is extremely imperative that we take action to reduce fossil fuel consumption and the production of greenhouse gases, as it puts the future of my generation and those after me at risk. I don't want to be living in a world where I'm constantly fearing intense weather patterns, losing land from sea level rise, and suffering from intense heat waves and warming patterns. The globe has passed the United Nation's 1.5°C warming limit in 2024. Hawaii must become a model to the rest of the globe, and this Act will ensure that.

In the past few years, we've seen increased wildfires and intense storms affecting our island's and entire globe. The carbon fee will be able to decrease the production of greenhouse gases, reducing the warming effect that they have on our Earth. The bill places a carbon fee on fossil fuels, incentivizing businesses and individuals to use less fossil fuels, the emissions from which are warming the Earth and creating climate havoc in Hawai'i and globally.

The carbon fee revenues are used to fund a climate rebate that is distributed to Hawai'i tax filers. The climate rebate makes the bill progressive and protects vulnerable lower-income families.

The bill is simple to administer because it relies on existing mechanisms to collect the carbon fee and distribute the climate rebates.

Hawai'i must take a multi-pronged approach to reduce carbon emissions and lessen our dependence on fossil fuels that are subject to the price volatility of the global market. This bill helps achieve those goals efficiently and equitably, and works well with other policy approaches.

I am in strong support of this bill and I urge others who are not to think about the future of our islands' keiki and the future generations of our home. What will we eat if there are droughts and we can not grow our food? Where will we live if our homes are burning under wildfires? Where will we commute if our roads are flooded? We must reduce carbon emissions and ensure a world for this generation and those to come.

Mahalo!

Maya Gaudiano,

**HB-760**

Submitted on: 1/26/2025 2:04:46 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jaymen Laupola	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Lowen, Chair Kahaloa, and members of the EEP and AGR committees:

**I strongly support this bill** because it reduces climate pollution and increases Hawai‘i’s energy independence while protecting vulnerable kama‘aina families.

The bill places a carbon fee on fossil fuels, incentivizing businesses and individuals to use less fossil fuels, the emissions from which are warming the Earth and creating climate havoc in Hawai‘i and globally.

The carbon fee revenues are used to fund a climate rebate that is distributed to Hawai‘i tax filers. The climate rebate makes the bill progressive and protects vulnerable lower-income families.

The bill is simple to administer because it relies on existing mechanisms to collect the carbon fee and distribute the climate rebates.

Hawai‘i must take a multi-pronged approach to reduce carbon emissions and lessen our dependence on fossil fuels that are subject to the price volatility of the global market. This bill helps achieve those goals efficiently and equitably, and works well with other policy approaches.

Mahalo!

Jaymen Laupola, Honolulu



**HB-760**

Submitted on: 1/26/2025 2:13:57 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Douglas Perrine	Individual	Support	Written Testimony Only

Comments:

It is critical to apply a financial incentive in order to motivate citizens to reduce our greenhouse gas emissions. To this end I fully support HB760 and urge all legislators to support it as well.

**HB-760**

Submitted on: 1/26/2025 3:13:19 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
rachel bernstein	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Lowen, Chair Kahaloa, and members of the EEP and AGR committees:

**I strongly support this bill** because it reduces climate pollution and increases Hawai‘i’s energy independence while protecting vulnerable kama‘aina families. This policy represents the best way to reduce our carbon emissions:

In August 2024, researchers published the first global evaluation of 1,500 climate policies, revealing most failed to reduce emissions significantly. Only 63 policies succeeded, achieving 19% reductions on average...The study highlights the critical role of well-designed policy mixes, especially those that include tax and price incentives. For instance, bans on coal plants or combustion engines by themselves have limited impact."

Source: *Climate policies that achieved major emission reductions: Global evidence from two decades*, [Annika Stechemesser](#), [Nicolas Koch](#), [Ebba Mark](#) Elina Dilger, [Patrick Klösel](#), [Laura Menicacci](#), [Daniel Nachtigall](#), [Felix Pretis](#), [Nolan Ritter](#), and [Anna Wenzel](#), *Science*, 22 Aug 2024, Vol 385, Issue 6711, pp. 884-892.

Mahalo,

rachel Bernstein

**HB-760**

Submitted on: 1/26/2025 3:18:06 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Chloe Tonda	Individual	Support	Written Testimony Only

## Comments:

Aloha Chair Lowen, Chair Kahaloa, and members of the EEP and AGR committees,

There are a multitude of reasons why I strongly support this bill, but the main reason is that Carbon cashback delivers emission reductions.

As a youth who is worried about the future of Hawai‘i, and the world, reducing carbon emissions would be a huge step towards preventing climate change. Climate change is something that people take too lightly, even though it will affect their livelihood in the near future. If we don't do something about it now, the results will be catastrophic. We must take urgent action.

I don't want to die because of something that could've been prevented if we all just worked together. I'm worried about not having a future. I'm worried that my future kids won't be able to live a life of happiness. I'm afraid climate change will end us completely.

Not to mention that this bill will benefit lower-income families, and as we already know: Hawai‘i struggles with high cost-of-living issues and houselessness.

So in order to prevent (or at least help to slow down) climate change, it is imperative that bills like these be passed.

Mahalo,

Chloe T., from Waialae

**HB-760**

Submitted on: 1/26/2025 3:55:23 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
John NAYLOR	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Lowen, Chair Kahaloa, and members of the EEP and AGR committees:

**I strongly support this bill** because it reduces climate pollution and increases Hawai‘i’s energy independence while protecting vulnerable kama‘aina families.

The bill places a carbon fee on fossil fuels, incentivizing businesses and individuals to use less fossil fuels, the emissions from which are warming the Earth and creating climate havoc in Hawai‘i and globally.

The carbon fee revenues are used to fund a climate rebate that is distributed to Hawai‘i tax filers. The climate rebate makes the bill progressive and protects vulnerable lower-income families.

The bill is simple to administer because it relies on existing mechanisms to collect the carbon fee and distribute the climate rebates.

Hawai‘i must take a multi-pronged approach to reduce carbon emissions and lessen our dependence on fossil fuels that are subject to the price volatility of the global market. This bill helps achieve those goals efficiently and equitably, and works well with other policy approaches.

Mahalo!

John Naylor Makawao

**HB-760**

Submitted on: 1/26/2025 4:45:16 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Eric Lindborg	Individual	Support	Written Testimony Only

## Comments:

I strongly support this bill. The carbon fee incrementally provides market-based incentives to reduce use of products and activities that increase greenhouse gases in Hawaii. It promotes long-term energy resilience in Hawaii while addressing a root cause of climate disruption. At the same time the refundable tax credit mitigates adverse impact on low-income citizens. Once more, Hawaii has an opportunity to become a national leader in important environmental policy.

**HB-760**

Submitted on: 1/26/2025 6:31:11 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Mariam Yassine	Individual	Support	Written Testimony Only

## Comments:

Aloha Chair Lowen, Chair Kahaloa, and members of the EEP and AGR committees,

I strongly support this bill because it can reduce climate pollution and allow people to be more concious of their carbon footprint while protecting low-income families.

Since this bill places a carbon fee on the use of fossil fuels, this would make using fossil fuels more expensive, which would potentially have companies switch to greener energy. Another thing is that, because their getting taxed, the companies would make their fossil fueled produced products more expensive, then individuals would also switch to the cheaper alternatives, products that are more eco-friendly.

Sadly, people tend not to care for the environment and are not always willing to change their habits purely based on it being better for the environment. Money is one of the ultimate driving factors for decision making. People like options with the cheaper prices, especially if it's beneficial to them. If you were to tax people for having a huge carbon footprint, then they are most likely to change their habits.

Besides, this bill is easy to implement because it would already involve current mechanisms that are used to normally tax people. Hawai'i must reduce it's dependence on fossil fuels in order to safeguard a future for our young generations. To get us closer to our clean energy goals, bills like this are one of the steps that should be taken.

Mahalo!

Mariam Yassine, Ewa Beach

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION  
HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS  
Hearing on Jan. 28, 2025 at 10:00 am

**SUPPORTING HB 760**

My name is John Kawamoto, and I support HB 760, which is a variation of the Carbon Cashback bill that has been introduced in past years. From an environmental perspective, this bill will substantially reduce greenhouse gas emissions and move Hawaii further towards its goal of net negative greenhouse gas emissions by 2045. From a social equity perspective, this bill will support low-income individuals and families financially, as they are impacted by climate change, and society makes sacrifices to transition toward a clean energy future. From a budgetary perspective, this bill will fund itself in the long run. Carbon Cashback is the only bill that is being considered by the Legislature that combines these worthy features.

This bill is based on the economic concept of carbon pricing, which has been adopted by more than 50 countries to reduce greenhouse gas emissions. The World Bank supports carbon pricing and helps countries design, pilot, and implement carbon pricing policies. Economists support carbon pricing because it directly targets the root cause of climate change and incentivizes reductions throughout the economy. In addition, it enables businesses and consumers to make their own choices to reduce emissions in the most cost-effective ways rather than issuing mandates.

Recent studies, such as the following, provide empirical evidence of the effectiveness of carbon pricing:

- (1) "Systematic review and meta-analysis of ex-post evaluations on the effectiveness of carbon pricing," published in *Nature Communications* in 2024, found that 17 of the 21 carbon pricing policies studied reduced emissions from 5% to 21%.
- (2) "Climate policies that achieved major emission: Global evidence from two decades," published in *Science* in 2024, analyzed more than 1,500 climate policies across 41 countries and found that only 63 measures effectively reduced CO<sub>2</sub> emissions, one of which was carbon pricing. The research found that financial incentives like subsidies and regulations alone were less effective unless combined with carbon pricing or other price-based strategies.
- (3) "The Effect of Carbon Pricing on Firm Emissions: Evidence from the Swedish CO<sub>2</sub> Tax," published in *The Review of Financial Studies* in 2024, estimated that 30% of the emissions reductions achieved by Sweden were due to carbon pricing.

The world is experiencing disasters caused or fueled by climate change that are becoming more frequent and extreme. Human activity, particularly the burning of fossil fuel to create energy, has increased the proportion of carbon dioxide in the atmosphere, which is 50% more than it was before the Industrial Revolution. Although Hawaii has adopted a goal of net negative emissions by 2045, we are on a path that will fall far short of that goal. Much more must be done.

Carbon pricing works in theory and in practice. For the sake of our children and their children -- and future generations -- we must take action to help create a healthy environment that will nurture them. I urge you to pass this bill.

**HB-760**

Submitted on: 1/26/2025 7:49:13 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Makena Coffman	Individual	Support	Written Testimony Only

Comments:

Chair Lowen, Chair Kahaloa, and members of the EEP and AGR committees:

I strongly support this bill. Carbon pricing has been found in numerous studies to be the most cost effective and affordable way to reduce GHG emissions. The world has let global emissions continue too long and dangerous climate impacts are already happening. Dangerous climate change could have been avoided had policy-makers taken action decades ago. But it's still not too late to implement policy that will make a real difference. It takes policy-makers like yourself to be courageous, and it's more important at the state and local levels now more than ever. Please do not adopt any more GHG goals without backing it up with meaningful policy. Carbon pricing isn't a silver bullet - but it goes a long way to getting the incentives to climate action right. Please act now.

Aloha,

Makena Coffman



**HB-760**

Submitted on: 1/26/2025 7:59:54 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Debbie Millikan	Individual	Support	Written Testimony Only

Comments:

**To: House Committee on Energy & Environmental Protection (EEP) and House Committee on Agriculture & Food Systems (AGR)**

**From: Debbie Millikan**

**Re: STRONG SUPPORT for HB760**

**Hearing: Tuesday, January 28, 2025, 10:00 am, Conference Room 325 or via Zoom**

**Aloha Chair Lowen, Chair Kahaloa, and members of the EEP and AGR committees:**

**I strongly support HB760 because it is an essential climate policy to help lessen our dependence on fossil fuels that are subject to the price volatility of the global market. This bill works well with other policy approaches allowing Hawai'i to take a multi-pronged approach. It's time we get serious about tackling the economics of fossil fuels in Hawai'i. Thank you for allowing me to submit testimony in support of this bill.**

**Aloha,**

**Debbie Millikan, Ph.D.**

**Honolulu, Hawai'i**

Date: Jan. 26, 2025  
To: EEP & AGR Committees  
From: Paul Bernstein, PhD  
Re: **STRONG SUPPORT for HB760** RELATING TO TAXATION  
Hearing: Jan. 28, 2025, 10:00AM

Aloha Chair Lowen, Chair Kahaloe, Vice-Chair Perruso, Vice-Chair Kusch, and Members of the EEP and AGR Committees:

I'm writing in **strong support of HB760** because of my concern about the world that we're handing over to our children and grandchildren. We must do everything we can to reverse climate change by hastening our transition to a lower carbon, resilient economy; and we must also make this transition in a way that does as much as possible to protect the most vulnerable among us. From analyzing the economic impacts of greenhouse gas abatement policies for over 25 years, I have concluded that Carbon Cashback is the best policy to reduce emissions while being progressive and financially benefiting low-income households.

My conclusion is supported by over 3,600 economists including Nobel Prize winners and former chairs of the Federal Reserve. Furthermore, my conclusion about the effectiveness of carbon pricing is supported by a recent paper<sup>1</sup> that evaluated 1,500 climate policies that span from 1998-2022. The study found:

- Policy mixes, particularly those including pricing mechanisms, are essential for achieving significant emission reductions. Researchers conclude that in a mix of policies, pricing is the complement that yields the greatest emissions reductions; and
- Taxation stands out as the only policy that is effective [at reducing emissions] on its own.

Please pass HB760 out of your committees as an important step in protecting our planet.

Mahalo nui loa,



Paul Bernstein, PhD

Co-author of the two UHERO studies on Carbon Pricing in Hawaii

- [https://energy.hawaii.gov/wp-content/uploads/2021/04/HawaiiCarbonPricingStudy\\_Final\\_Apr2021.pdf](https://energy.hawaii.gov/wp-content/uploads/2021/04/HawaiiCarbonPricingStudy_Final_Apr2021.pdf)
- [https://files.hawaii.gov/tax/stats/trc/docs2022/Appendix\\_A.pdf](https://files.hawaii.gov/tax/stats/trc/docs2022/Appendix_A.pdf)

---

<sup>1</sup> In August 2024, researchers published the first global evaluation of 1,500 climate policies, revealing most failed to reduce emissions significantly. Only 63 policies succeeded, achieving 19% reductions on average...The study highlights the critical role of well-designed policy mixes, especially those that include tax and price incentives. For instance, bans on coal plants or combustion engines by themselves have limited impact."

Source: *Climate policies that achieved major emission reductions: Global evidence from two decades*, [Annika Stechemesser](#), [Nicolas Koch](#), [Ebba Mark](#) Elina Dilger, [Patrick Klösel](#), [Laura Menicacci](#), [Daniel Nachtigall](#), [Felix Pretis](#), [Nolan Ritter](#), and [Anna Wenzel](#), *Science*, 22 Aug 2024, Vol 385, Issue 6711, pp. 884-892.

**HB-760**

Submitted on: 1/26/2025 11:37:32 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Audrey Lin	Individual	Support	Remotely Via Zoom

Comments:

Aloha,

**My name is Audrey Lin, and I am a senior at ‘Iolani School in Honolulu, Hawai‘i. I write in strong support of HB760.**

As a high school student, I view climate change as the greatest threat to humanity today. I hear my friends discuss the effects of devastating wildfires on their families. I witness environmental degradation firsthand as I kayak through the polluted Ala Wai Canal. And as I write this testimony, sea levels are rising, coral reefs are disappearing, ecosystems are shrinking, and natural disasters are becoming increasingly prevalent.

Thus, I urge our State Legislature to adopt HB760, a bill that places a carbon fee on fossil fuels, which are the very emissions that warm the Earth and create climate havoc in Hawai‘i and globally. At ‘Iolani, in both class and club meetings, my teachers, peers, and I have discussed HB760, and we see it as an effective method to incentivize both businesses and individuals to use fewer fossil fuels and shift towards renewable energy.

Additionally, it should be recognized that the carbon fee revenues would be used to fund a climate rebate that would be distributed to Hawai‘i tax filers. Thus, this bill is progressive and protects vulnerable lower-income families.

As a high school student, I strongly believe that climate change is the most pressing issue facing our planet, and I urge the State Legislature to please act now to save our future. Without the passage of HB760, the situation will only worsen.

Mahalo nui loa for the opportunity to submit testimony for the bill.

Sincerely,

Audrey Lin

‘Iolani School, Class of 2025

TESTIMONY  
by JoAnn A. Yukimura  
before the  
Committee on Energy & Environmental Protection  
and the  
Committee on Agriculture & Food Systems  
Re: HB 760

January 28, 2025

Chair Lowen, Chair Kahaloe and Committee Members:

Thank you for this opportunity to testify on HB 760, also known as the Carbon Cashback Bill.

My name is JoAnn Yukimura. In my ‘past life,’ I spent 28 years in elected office, serving as a councilmember and as the mayor of Kaua‘i County. Today I speak as a resident of Kaua‘i and as a citizen of the state of Hawai‘i.

I support the concept of a carbon fee as embodied in HB 760. I also support the concept of a dividend but not in the way it is presently structured in HB 760 for only very low income families. In this testimony, I suggest expanding the dividend provisions in a way that would enhance the integrity and positive impact of the Bill. I also do not support any revenues generated by the carbon fee going into the General Fund. All the carbon fee revenues should be returned progressively to residents or used for administrative expenses related to the carbon fee or for expenditures to increase awareness and education about the dividend/tax credits.

A fee on carbon is essential if we are to stop/reduce Climate Change

2023 was the hottest year on record in the history of the planet. . . until 2024, when, in one year, that record was surpassed. 2024 was also the year that the increase in the earth’s average surface warming surpassed the 1.5 ° C benchmark<sup>1</sup> that the world has been trying, for years, to avoid.

In 2023, Hawai‘i and the world watched in horror as the unimaginable happened in Lahaina. The town burned down, killing 102 members of our statewide ‘ohana and harming so many more, physically, mentally, and financially. It seemed nothing could be

---

<sup>1</sup> 1.5°C is the increase in global average surface warming above pre-industrial temperatures that countries who signed the Paris Agreement in 2015 agreed to stay below.

worse, but in the last several weeks, we watched helplessly as even more people lost everything in the LA fires, some of them, their lives.

We know that fires are not the only consequence of the Climate Crisis. There is flooding, drought, hurricanes of unprecedented magnitudes that are wreaking human suffering and physical and economic damage around the world.

In Hawai'i, where the rising cost of living has been a big issue, it is important to remember that Climate Change is increasing the cost of living by leaps and bounds. Have you thought of what the cost of building materials will be, given the Lahaina and LA fires? Or the cost of insurance? Or, the cost of food where natural disasters have damaged crops and livestock?

There is no way we can adapt our way out of Climate Change. Adaption is necessary, but only if we are also addressing the cause; otherwise, adaptation is futile. And if adaptation takes priority over addressing cause, as it seems to be Hawaii thus far, that is bad public policy. When a water pipe breaks, we don't try to adapt to it, we fix the broken pipe.

So let's fix, slow down, and reverse Climate Change **now**. Later will be too late.

To do this, Hawai'i must significantly reduce its use of fossil fuels. However, in spite of all the talk about Climate Change and the terrifying upheaval and danger that Climate Change is bringing to our planet and our lives, Hawai'i's use of fossil fuels since the pandemic has barely gone down. That's because a crucial policy framework has not been put in place.

You, the Legislature, can change this. This is where HB 760 comes in.

In a study of 41 countries and 1500 climate policies, carbon pricing, which increases the price of carbon-based (fossil) fuels to reflect their real cost, was found to be effective in significantly reducing greenhouse gases. HB 760 would establish carbon pricing in Hawai'i by adding a fee to the carbon (fossil fuels) entering Hawai'i to more accurately reflect the actual costs of fossil fuel use. Such costs include pollution, habitat and natural resource depletion, damage caused by Climate Change and harm to health.

This price correction will make fossil fuels more expensive than the alternatives, and consumers and institutions will move automatically to purchase products and services that utilize little or no fossil fuels. This will cause an economy-wide move away from fossil fuels toward more sustainable energy sources, thus reducing the greenhouse

gases produced in Hawai'i. All of this will happen **without any regulations or mandates**, which can end up being poorly or corruptly implemented.

This is quintessentially a market solution that both conservatives and progressives should love. That's why, as stated on page 3 of Bill 760, thirty six hundred economists, including Nobel Laureates, have endorsed the Carbon Cashback.

### The Cashback Makes the Policy Compassionate and Workable.

Under the original version of the Carbon Cashback policy, the revenues raised from the carbon fee will be given back to residents of the Hawai'i in equal shares. According to a UHERO<sup>2</sup> study commissioned by the Legislature, for low and moderate income families, these shares (also known as dividends) will more than cover the increased living costs resulting from the carbon fee. And the families will have the potential to invest in energy- and money-saving opportunities, whether it be buying energy efficient appliances, solar water heating, or an electric car, that once paid for, will means savings year after year.

The dividend part of Bill 760 deviates considerably from the original Carbon Cashback policy in that its cashback goes only to families at or below 80% of the Area Median Income. This means that a large part of Hawai'i's workforce families, who will be impacted by the carbon fee, will be excluded from receiving the dividends. Kaua'i County's threshold for families qualifying for affordable housing programs goes up to 120% of median income because according to Kaua'i's studies, the market does not provide for these families. I suggest amending HB 760 to incorporate dividend provisions in HB1375 which would restore the universal dividend framework.

I like very much like the feature in HB 760 which pre-pays the dividend upfront, instead of having households wait a year to get the cashback. That feature should be kept.

Finally, it is important to ensure that Bill 760 is not proposing a tax in the traditional sense of the word. It is not the intention of the Carbon Cashback proposal to take money from the people of Hawai'i to create new programs that will necessitate hiring more people and growing the bureaucracy. The carbon fee is meant to be a tax on climate pollution that corrects the market price of fossil fuels and elegantly gives back the proceeds to each resident of Hawaii in a progressive manner that seeks to help especially low and moderate families, but all families, make the urgent transition to non fossil fuels. To ensure this, HB 760 must be amended if necessary to disallow any of the monies going into the General Fund.

---

<sup>2</sup> University of Hawai'i Economic Research Organization

Together, the carbon fee and its universal dividend will provide an effective and compassionate way for Hawaii to transition to a sustainable, fossil fuel free future as we do our part to bring the planet back into balance.

With your courageous and clear-sighted leadership, Hawai'i can again lead the way.

Please make sure the dividend sections achieves the equity intended and the tax on pollution doesn't turn into a general tax by amending HB 760 as necessary, then vote to pass Bill 760 out of committee.

Mahalo.



**HB-760**

Submitted on: 1/27/2025 6:56:43 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jeanne Dennis	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Lowen, Chair Kahaloa, and members of the EEP and AGR committees:

**I strongly support this bill** because it reduces climate pollution and increases Hawai‘i’s energy independence while protecting vulnerable kama‘aina families.

The bill places a carbon fee on fossil fuels, incentivizing businesses and individuals to use less fossil fuels, the emissions from which are warming the Earth and creating climate havoc in Hawai‘i and globally.

The carbon fee revenues are used to fund a climate rebate that is distributed to Hawai‘i tax filers. The climate rebate makes the bill progressive and protects vulnerable lower-income families.

The bill is simple to administer because it relies on existing mechanisms to collect the carbon fee and distribute the climate rebates.

Hawai‘i must take a multi-pronged approach to reduce carbon emissions and lessen our dependence on fossil fuels that are subject to the price volatility of the global market. This bill helps achieve those goals efficiently and equitably, and works well with other policy approaches.

Aloha Chair Lowen, Chair Kahaloa, and members of the EEP and AGR committees:

**I strongly support this bill** because it reduces climate pollution and increases Hawai‘i’s energy independence while protecting vulnerable kama‘aina families.

The bill places a carbon fee on fossil fuels, incentivizing businesses and individuals to use less fossil fuels, the emissions from which are warming the Earth and creating climate havoc in Hawai‘i and globally.

The carbon fee revenues are used to fund a climate rebate that is distributed to Hawai‘i tax filers. The climate rebate makes the bill progressive and protects vulnerable lower-income families.

The bill is simple to administer because it relies on existing mechanisms to collect the carbon fee and distribute the climate rebates.

Hawai‘i must take a multi-pronged approach to reduce carbon emissions and lessen our dependence on fossil fuels that are subject to the price volatility of the global market. This bill helps achieve those goals efficiently and equitably, and works well with other policy approaches.

I am submitting this testimony to ensure my children and grandchildren who live on Oahu will live in a clean and safe environment in the future.

Mahalo!

Jeanne Dennis

Kaneohe

**HB-760**

Submitted on: 1/27/2025 7:59:53 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Andrew Crossland	Individual	Oppose	Written Testimony Only

Comments:

**I STRONGLY OPPOSE** this carbon tax Bill and any other Bills that raise taxes on Hawaii families. I urge all members of the Committee to **VOTE NO** on this Bill.

**HB-760**

Submitted on: 1/27/2025 8:10:46 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Noel Morin	Individual	Support	Written Testimony Only

Comments:

**STRONG SUPPORT FOR HB760 (RELATING TO TAXATION)**

Dear Chairs Lowen and Kahaloa, Vice-Chairs Perruso and Kusch, and Committee Members,

I'm testifying in **Strong Support of HB760**, which *"Amends the environmental response, energy, and food security tax to address carbon emissions. Incrementally increases the tax rate over time. Establishes a refundable tax credit to mitigate the effect of a carbon emissions tax on lower-income taxpayers. Establishes and appropriates moneys into the carbon emissions tax and dividend special fund. Reenacts the agricultural development and food security special fund. Requires reports to the Legislature."*

This measure will help Hawaii transition to a clean energy future, accelerate efforts to establish our energy resilience and reduce our carbon pollution footprint.

HB760 introduces a predictable, increasing price on carbon, which will inspire economy-wide decisions to reduce the use of high-carbon products and services and to shift to lower-carbon solutions. Importantly, HB760 allows for revenue distribution to taxpayers, enabling them to adapt to the expected price increases.

Hawaii must aggressively transition to clean, locally produced energy to minimize the risks associated with fossil imports. In doing so, we will also inspire the rest of the world to do the same. A price on carbon pollution, as proposed by HB730, will accelerate our transition and do so in a manner that is equitable and controlled.

Please support HB760.

Mahalo,

Noel Morin

Climate, Sustainability, and Resilience Advocate

Hilo, Hawaii

**HB-760**

Submitted on: 1/27/2025 8:18:43 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Joelle Seashell	Individual	Oppose	Written Testimony Only

## Comments:

Enough with the taxes. Using taxes as a financial weapon to force people against their will to go along with your nonsense is unethical. Who's orders are you following by writing this bill? It's not the people you represent. 1 in 3 families are considering moving out of state. More Hawaiians live out of state in their homelands than in it. And it's because of disgusting bills like this.

**HB-760**

Submitted on: 1/27/2025 8:21:00 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kuulei Kupihea	Individual	Oppose	Written Testimony Only

Comments:

Strongly oppose!

**HB-760**

Submitted on: 1/27/2025 8:24:54 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
David Williams	Individual	Oppose	Written Testimony Only

## Comments:

We absolutely should not be passing any law to tax anyone for any type of carbon. That is absolutely infuriating that you're even proposing that. Just when I thought I couldn't be any more disgusted by you people that run our state you pull this nonsense. Absolutely absurd and disgusting!!!

**HB-760**

Submitted on: 1/27/2025 8:28:52 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Christopher Gouveia	Individual	Oppose	Written Testimony Only

Comments:

I oppose HB760 because the people of Hawaii are taxed more than we should be. It's expensive to live here, and more locals are leaving to escape things like this. So why give locals more of a reason to leave?

Stop raising more taxes.



**HB-760**

Submitted on: 1/27/2025 8:37:23 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jeanine Acopan	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill!!!

**HB-760**

Submitted on: 1/27/2025 8:38:32 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kaiulani Bowers	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill

**HB-760**

Submitted on: 1/27/2025 8:42:02 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Deven English	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill.

**HB-760**

Submitted on: 1/27/2025 8:51:50 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Cheryl Rzonca	Individual	Oppose	Written Testimony Only

Comments:

I urge you to vote NO on carbon taxes. We do not need any more taxation on the people in Hawaii. This tax is not only about fake climate change but also about control. Aole!

**HB-760**

Submitted on: 1/27/2025 8:53:51 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Wendy	Individual	Oppose	Written Testimony Only

Comments:

I absolutely oppose this measure.

No it's and or butts.

**HB-760**

Submitted on: 1/27/2025 8:54:19 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sharee Orr	Individual	Oppose	Written Testimony Only

Comments:

No more taxing constituents.

**HB-760**

Submitted on: 1/27/2025 8:56:41 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Mary Healy	Individual	Oppose	Remotely Via Zoom

Comments:

I oppose this bill and will be giving oral testimony via zoom.

**HB-760**

Submitted on: 1/27/2025 9:03:30 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
James R Cabodol Jr	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill



**HB-760**

Submitted on: 1/27/2025 9:03:55 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Bradley Lindsey	Individual	Oppose	Written Testimony Only

Comments:

I stand in opposition to HB760, the proposed carbon tax bill for several critical reasons:

1. **Regressive Impact on Lower-Income Families:** Although the bill does provide a refundable tax credit to mitigate the effects on lower-income taxpayers, the incremental increases in the tax rate over time inherently place a disproportionate burden on lower-income families who already struggle with rising costs of living.
2. **Economic Downturn Risk:** Implementing a steadily increasing carbon tax could lead to higher energy costs. These costs can be passed down to consumers, affecting small businesses and slowing economic growth. Higher operational costs could discourage local businesses from expanding or affect their survival.
3. **Uncertainty in Emission Reductions:** The language of the bill suggests increasing the tax until emission reduction goals are met. This approach could lead to unpredictable financial impacts on residents and businesses, creating instability and making it difficult for them to plan for the future.
4. **Potential for Penalizing Households and Industries:** In its current form, HB760 doesn't account for sectors or households that have already invested in cleaner technologies or those that face higher difficulty transitioning to low-carbon alternatives. This blanket approach can unfairly penalize segments that have already made efforts to reduce emissions.

I urge the legislature to consider these points and the bill's unintended negative consequences.

**HB-760**

Submitted on: 1/27/2025 9:07:57 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Thomas Graham	Individual	Support	Written Testimony Only

Comments:

Aloha chairs, vice-chairs, and members of the EEP and AGR committees,

I strongly support HB 760. This carbon cashback program will reduce fossil fuel consumption substantially and go a long way toward meeting Hawaii's critically important goal of becoming carbon neutral by 2045. At the same time, it will financially protect lower-income households as we transition to a carbon-free economy.

UHERO projects that this bill will reduce our carbon emission rate by about 13 percent. That's far more than any other policy under consideration would achieve.

The bill implements the top recommendation of Hawaii's 2020-2022 Tax Review Commission and a key recommendation of the Hawaii State Energy Office.

HB 760 is critically important to Hawaii's future and I urge you to pass it.

Thank you,

Thomas Graham, Honolulu

**HB-760**

Submitted on: 1/27/2025 9:13:08 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
LetusThrive	Individual	Oppose	Written Testimony Only

## Comments:

Please reign in your tyrannical reach. Our nation has been hamstrung over the past four years in regards to energy production. We as a state currently have unattainable sustainability goals regarding how we source our energy. Please allow the nation as a whole to reach more sustainable and pragmatic energy production before we cut our legs from underneath us.

Carbon taxes lead to increased poverty and are wildly unfounded in any science. You all were elected to govern our peoples, however this type of legislation is a slippery slope into the abyss of no return. We have no domestic energy production industry, like it or not we will be reliant on hydrocarbons for the foreseeable future, likely the next hundred years unless there is major disclosure and advancements in energy production..

Offshore wind kills whales, wind energy doesn't come close to producing enough energy to offset its own carbon footprint over the lifetime of a windmill (25-30 years), solar relies on cheap Chinese components that we cannot rely on moving forward. We simply cannot leave behind hydrocarbons that have allowed humanity to thrive since the industrial revolution.

YOU MUST VOTE AGAINST THE BILL.

All votes favoring HB 760 will be considered contempt for your constituents.

Do the right thing, don't force all of us struggling to get by into further poverty. You co-authors should be ashamed of yourselves.

Mahalo.

**HB-760**

Submitted on: 1/27/2025 9:14:31 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Melissa Barker	Individual	Support	Written Testimony Only

Comments:

Honorable House Members,

Please support HB760 which will help reduce climate pollution.

Thank you,

Melissa Barker

Kapaa, HI

**HB-760**

Submitted on: 1/27/2025 9:23:18 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Olivia Sousa	Individual	Support	Written Testimony Only

Comments:

**Aloha Chair Lowen, Chair Kahaloe, and members of the EEP and AGR committees:**

**I strongly support this bill because it reduces climate pollution and increases Hawai'i's energy independence while protecting vulnerable kama'aina families. As a youth, living on the island of Oahu, our futures and generations ahead of us are at stake. Recalling the irreplaceable natural beauty of the earth that I had witnessed minutes prior, I realized the fragile existence of these ecosystems including our own, that at any minute could be taken away from us.**

**The bill places a carbon fee on fossil fuels, incentivizing businesses and individuals to use less fossil fuels, the emissions from which are warming the Earth and creating climate havoc in Hawai'i and globally. As a state, we have the power to preserve, our lives and the abundant wildlife of Hawaii.**

**The carbon fee revenues are used to fund a climate rebate that is distributed to Hawai'i tax filers. The climate rebate makes the bill progressive and protects vulnerable lower-income families.**

**The bill is simple to administer because it relies on existing mechanisms to collect the carbon fee and distribute the climate rebates.**

**Hawai'i must take a multi-pronged approach to reduce carbon emissions and lessen our dependence on fossil fuels that are subject to the price volatility of the global market. This bill helps achieve those goals efficiently and equitably, and works well with other policy**

**approaches. This bill is essential to the lives of Hawaii citizens. If we work together, to ensure we preserve our world not just for us, but for our future generations.**

**Mahalo!**

**Olivia Sousa, Kailua**

**HB-760**

Submitted on: 1/27/2025 9:24:23 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sally Lee	Individual	Oppose	Written Testimony Only

## Comments:

I oppose this bill. This bill is not in the interest of the people of Hawaii. Especially the part about the tax increasing until a goal had been met. This open ended-ness seems to be never ending with this state. Our people are taxed enough. Stop it! I oppose this bill!



**HB-760**

Submitted on: 1/27/2025 9:25:09 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Rosemarie Vailisale	Individual	Oppose	Written Testimony Only

Comments:

As a citizen of the United States of America and resident here in Hawaii, I stand against this bill and do not support it.

**HB-760**

Submitted on: 1/27/2025 9:25:39 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Noela von Wiegandt	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I oppose this bill, the people of Hawaii are already over taxed. Please stop taxing "We the People", for stuff like this, a complete waste of money and time. BTW, we have Tradewinds which keep our islands very safe, if we can all live with VOG then, I thinks it is safe to say that a little carbon in the air isn't gonna harm anyone. Climate change has been going on since the beginning of time. Do your research and stop over taxing the people of Hawaii. Thank you!

Noela von Wiegandt

**HB-760**

Submitted on: 1/27/2025 9:27:47 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Paul Giles	Individual	Oppose	Written Testimony Only

Comments:

I oppose HB760,

Paul Giles

**HB-760**

Submitted on: 1/27/2025 9:28:49 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
kamakani de dely	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

**HB-760**

Submitted on: 1/27/2025 9:29:51 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Mallory De Dely	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

**HB-760**

Submitted on: 1/27/2025 9:29:59 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Reid Townsend	Individual	Support	Written Testimony Only

## Comments:

Carbon is a pollutant, and the role government can play in reducing the output of this pollutant is to tax its creation and emittance. There are equity considerations for those at the lower end of the economic spectrum, and the refund provision will offset those increased costs. This bill is common sense and strong leadership and vision is needed to enact the change we all desperately need and deserve.

**HB-760**

Submitted on: 1/27/2025 9:30:27 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Susan Dedely	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

**HB-760**

Submitted on: 1/27/2025 9:31:14 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Travis Kealohilani Goodwin	Individual	Oppose	Written Testimony Only

## Comments:

I am testifying in opposition to this ridiculous proposed carbon tax bill. First of all, I'm not sure what school the committee attended but it appears they attended the Karl Marx Academy. This legislation is shameful. Why do marxist Democrats feel that robbing struggling, working families and throwing our hard earned money at mother nature will solve climate change? The climate is ever changing and has been since God created the Earth around 5,000 years ago. Who pays for the massive amounts of carbon emmitted by our volcanoes? When do you get to your main goal of selling us/taxing us on the air we breathe? You all talk about local families having to leave our home in Hawaii to move to the mainland and how we need to keep our people here, but you all have been in power since God knows when, and you have been screwing Hawaii families from then till now. Why do you want to burden us further? You can't squeeze blood from a turnip. Do you want blood?

It is very evident that you all were not elected to your positions. You were installed. When our election system is forensically audited by the federal government, and Scott Nago spills the beans on what your sick party has done to this state, I await you all doing a shameful perp walk, then we can vote in people who actually care about the wellbeing of WE THE PEOPLE of Hawaii.



**HB-760**

Submitted on: 1/27/2025 9:35:24 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Laurie West	Individual	Oppose	Written Testimony Only

Comments:

STRONGLY OPPOSE HB760

**HB-760**

Submitted on: 1/27/2025 9:38:04 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Matthew Geyer	Individual	Support	In Person

Comments:

**Testimony in Support of HB760**

Mahalo for taking the time to read my testimony in support of HB760.

What if we had a measure that could support low-income families across the state?

What if it also strengthened our local agriculture and helped reduce carbon pollution statewide?

This bill presents a unique opportunity to address these critical issues. The need for bold action has never been more urgent, and this is your chance to be on the right side of history.

I urge you to carefully consider this bill, which is supported by economists locally and globally for its potential to create lasting, positive change.

Mahalo again for your time and attention, and for the opportunity to submit testimony in support of HB760.

Matthew Geyer

**HB-760**

Submitted on: 1/27/2025 9:41:48 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
David E Shormann	Individual	Oppose	Written Testimony Only

## Comments:

AUWE! This is completely unacceptable for Hawaii's already overtaxed and overburdened citizens. The sponsors of this bill should be ashamed for proposing this. The life of the land is perpetuated in righteousness. You are sucking the life out of the land by overtaxing the citizens. End this now. Thank you.

**HB-760**

Submitted on: 1/27/2025 9:45:09 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Corinne Solomon	Individual	Oppose	Written Testimony Only

Comments:

I am in opposition to this bill.

**HB-760**

Submitted on: 1/27/2025 9:45:32 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lesha Mathes	Individual	Oppose	Written Testimony Only

Comments:

This is too vague and overstepping the government's bounds. Ineffective, unending, absolutely over the top government interference in the people lives.

**HB-760**

Submitted on: 1/27/2025 9:46:39 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
J S	Individual	Oppose	Written Testimony Only

Comments:

In opposition. Carbon dioxide is essential for life. The more CO2 the more plants grow. Opposed to this unnecessary taxation.

**HB-760**

Submitted on: 1/27/2025 9:49:25 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kim Haine	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose MORE tax on the Hawaii people who already suffer with one of the highest costs of living in the US. A carbon tax is unreasonable & unnecessary. Plant more trees!!!

**HB-760**

Submitted on: 1/27/2025 10:12:09 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
THOMAS KENT	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.



**HB-760**

Submitted on: 1/27/2025 10:21:51 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
David Ruiz	Individual	Oppose	Written Testimony Only

Comments:

You are trying to tax people who need to go to work? Not everyone can ride a bus or bike to work. How are those electric bikes and cars being recharged? How is imposing a tax going to help fix the problem? Where is that money going? If you really want to reduce our carbon footprint, stop building homes next to the ocean, tearing up the land to build mansions, building hotels, bringing in rental cars..... Start there first.

**Hearing: Tuesday, January 28, 2025, 10:00 am, Conference Room 325 or via Zoom**

**Committees: House Committee on Energy & Environmental Protection (EEP) and House Committee on Agriculture & Food Systems (AGR)**

**Date: Monday, January 27, 2025**

Hello Chair Lowen, Chair Kahaloa, and members of the EEP and AGR Committees,

My name is Nanea Lo, and I am testifying today in **strong support of HB760, the Carbon Cashback bill**. This legislation presents an important step forward in reducing climate pollution, fostering energy independence for Hawai'i, and providing financial relief to our most vulnerable kama'āina families.

HB760 is built on a clear and effective approach: placing a carbon fee on fossil fuels to encourage businesses and individuals to reduce their reliance on them. As we witness the devastating impacts of climate change—rising sea levels, increasing temperatures, and intensifying storms—this bill provides a tangible mechanism to address the root cause of climate pollution while incentivizing a shift toward cleaner energy alternatives.

What makes this bill particularly compelling is its equitable design. The revenues generated from the carbon fee will fund a climate rebate, which will be distributed to Hawai'i tax filers. This rebate ensures the bill is progressive, protecting lower-income families who often bear the brunt of rising energy costs and the consequences of climate change. By returning these funds directly to residents, HB760 provides a financial cushion for those who need it most while encouraging all of us to make sustainable choices.

The simplicity of administering this bill is another strength. By utilizing existing mechanisms for fee collection and rebate distribution, HB760 ensures an efficient and straightforward process without creating additional administrative burdens.

Hawai'i must act boldly and creatively to reduce our dependence on fossil fuels and embrace a future rooted in renewable energy. As an island community, we are especially vulnerable to the impacts of climate change and the volatility of the global energy market. This bill aligns with those goals, providing an efficient and equitable approach that complements other policy measures to tackle climate change.

I urge you to support HB760 and to take this meaningful step toward a more sustainable and resilient Hawai'i for future generations.

me ke aloha 'āina,



Nanea Lo, Mō'ili'ili, HI 96826

**HB-760**

Submitted on: 1/27/2025 11:18:28 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Regina Gregory	Individual	Support	Written Testimony Only

Comments:

support

**HB-760**

Submitted on: 1/27/2025 12:32:07 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Larry Duclayan	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose HB760'

Mahalo!

**HB-760**

Submitted on: 1/27/2025 12:41:41 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Laurie Langton	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I am writing in **STRONG** opposition of the proposed Carbon Tax bill HB760.and its companion bill SB633. It is appalling that with all the feigned concern about locals and native Hawaiians leaving the state, the legislature would introduce yet another ridiculous tax on the people.

With the newly opened up drilling and energy production in the country, the cost of energy is going to go down and yet Hawai'i wants to increase our costs. This is unacceptable and is purely an attempt to financially benefit the state while hurting the people.

Even among those who believe greenhouse gases and climate change is a threat there is no widespread support of a carbon tax. Why? Because there is no evidence anywhere in the world that charging people an extra tax or putting a levy on natural gas does a thing to reduce carbon emissions. This will be yet another financial hardship for the people with no outcome of benefit. How many people on fixed income are going to be decimated by this additional cost?

Do you think that by making fuels more expensive, people will actually use them less? That's just not feasible. People are not going to use less electricity in their homes. We still need lights and refrigerators, stoves and laundry. All this is doing is further stepping on the neck of the people. This is not going to force people to use the Rail either. It may add a couple riders, but it is a useless way to commute as it does not get people where they need to go efficiently.

In 1993 The Environmental Response tax established in Hawai'i. The proposed use was

- 1- to prevent and remediate spills
- 2- to support oil recycling programs,
- 3- to address concerns related to underground storage tanks.

Where's that money? Why is Red Hill still an unresolved issue decades after 'concerns' were brought? Now you want more money when you haven't done a fair job with these funds.

This proposal includes rebates to those considered lower income. But rebates do not help people put food on the table or gas in their car on a daily basis. This also punishes those who make

above the median income as they receive NO rebate. Additionally, in order to receive this rebate it must be applied for separately and if not, it is considered waived. How many people would be unable to deal with the process in a timely manner? I'm sure that's what the state is counting on.

Further, the monies collected, according to the bill, MAY be used for agricultural purposes. This includes buying AG land. Further taking land from the people. They will definitely be used for marketing this climate nonsense and for salaries, contracted services, supplies and other administrative expenses. Sounds like a new income stream for the state, with no real accountability.

This bill also revises the HRS to now include Carbon Emissions in the environmental response section. We DO NOT want carbon emissions to be a legacy for Hawai'i. This is another way to slowly boil the frog and work more climate control into our daily lives.

The tax, as stated in the bill is exorbitant! Beginning in 2026 at \$3.15/barrel increasing by as much as 80% per year, up to \$40.11/barrel by 2036. The bill states these taxes are to be paid by the distributors of the fuel but ultimately will be paid by the people of Hawai'i. This includes airplane fuel. Which is a huge portion of the fuel used on our islands. This will increase airfares for the people of Hawai'i, and there will be no 'rebate' for that. This also includes boat fuel which will greatly effect the owners of the 100's of boating companies and Ag fuels which will further hamstring what few farmers we have left.

But there are actually two taxes being proposed. the one stated above and in Sect. 5243-3.5, and in addition, a tax imposed on each Million British Thermal Unit, adding another \$0.49 to \$5.77 to the above tax, over the course of the 10 year period and continuing to increase thereafter.

The proposed total amount of income for the state with this tax is \$8.54 M on the backs of Hawaiians. The funds slated to receive these monies have not been shown to be effective or beneficial to the people nor was the creation of them voted on by the people. They are as follows:

Environmental Response, Energy Security, Energy Systems Development, Electric Vehicle Charging Stations, Hydrogen Fueling Systems (shouldn't that be covered in the other development account?), Food Security,

This additional cost to power producers allows them to pass the cost on to the utility, who will in turn increase the rates for the people. We already have the highest energy rates in the country. This is NOT a valid solution. How many people on fixed income are going to be decimated by this additional cost?

The state has already phased out coal and is now going to rape the people on the cost of LNG and petroleum. We do not agree with being taxed further in this way.

I ask that the representatives of the People vote NO on this bill.

Mahalo,

Laurie Langton

**HB-760**

Submitted on: 1/27/2025 12:47:20 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Richard Domingo	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill. We've gotten nowhere by raising taxes. More taxes only hurt the people of Hawaii that are already hurting by high cost of living as is. This is not a playground. This is people's homes. I respectfully ask that this be stop here and that you reconsider the options. Thank you.



**HB-760**

Submitted on: 1/27/2025 1:27:53 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ramon Maui Quizon	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair Lowen, Chair Kahaloa, Committee Members,

I am writing to express my strong opposition to the proposed legislation amending the environmental response, energy, and food security tax to address carbon emissions in Hawaii.

I believe that the approach outlined in this legislation is misguided and could have significant negative consequences for our state's economy, residents, and agricultural sector.

Moreover I disagree with the climate change assertion because I believe that these predictions often overlook the complexity of climate systems and the role of natural variability, and they can exaggerate the impacts and urgency of climate change without adequately considering the scientific uncertainties involved - and produce these types of unnecessary legislation.

1. Economic Burden on Residents and Businesses: Incrementally increasing the carbon emissions tax will impose an additional financial burden on all residents, particularly those from lower-income households who are already struggling to make ends meet. Although the legislation proposes a refundable tax credit to mitigate this impact, the reality is that many low-income families may not see the full benefits of such credits, especially if they are not adequately informed or if administrative barriers prevent them from receiving the credits in a timely manner. Furthermore, small businesses, which are the backbone of our economy, will face increased operational costs that could lead to higher prices for consumers and reduced competitiveness.

2. Impact on Agriculture: Hawaii's agricultural sector, which is vital for our food security and economic sustainability, stands to suffer greatly from increased carbon taxes. Farmers already face numerous challenges, including high input costs, labor shortages, and climate-related issues. Adding another layer of taxation will further strain their resources, potentially driving many small and medium-sized farms out of business. This could lead to increased food imports, undermining the very goal of enhancing food security that this legislation purports to support.

3. Ineffective Use of Funds: While the creation of a carbon emissions tax and dividend special fund may seem like a constructive approach, there is a concern regarding how effectively these funds will be utilized. Without clear, transparent, and accountable mechanisms in place, there is no guarantee that the revenue generated from this tax will directly contribute to meaningful environmental initiatives or support for affected communities. History has shown that funds

collected through similar taxes can often be diverted away from their intended purposes, leading to public distrust and skepticism.

4. Potential for Unintended Consequences: Implementing a carbon tax may inadvertently encourage businesses and individuals to relocate to other states or countries with less stringent environmental regulations. This could result in a net increase in global carbon emissions as emissions are simply displaced rather than reduced. Instead of adopting punitive measures that may drive economic activity away from Hawaii, we should be focusing on innovative solutions that promote sustainable practices while fostering economic growth.

In conclusion, while the intention behind addressing carbon emissions is commendable, I urge you to reconsider the proposed legislation and explore alternative methods that promote sustainability without placing an undue burden on our residents and businesses. Let's work together to find solutions that support our economy, protect our agricultural sector, and achieve our environmental goals without compromising the well-being of our communities.

Thank you for your consideration.

Sincerely,

R.MAUI QUIZON

Mililani Mauka

**HB-760**

Submitted on: 1/27/2025 1:43:56 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Zachariah Helenihi	Individual	Oppose	Written Testimony Only

Comments:

I, Zachariah Helenihi, OPPOSE HB760. This Bill will not help mitigate the emissions of carbon. The earth's atmosphere is composed of .04% of carbon and we, the state of Hawai'i, only contribute 0.0000000581% to that annually. Plant trees to combat carbon. 1 tree can take away 1 ton of carbon within it's lifetime. Stop developing unnecessary rental properties, stop creating bills that tax the people of Hawai'i for absolutely nothing and make real change by planting more trees to deal with the emissions.

**HB-760**

Submitted on: 1/27/2025 3:57:22 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jeffrey F Mizuno	Individual	Oppose	Written Testimony Only

Comments:

Text

**HB-760**

Submitted on: 1/27/2025 5:11:30 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jon-Louis Siracusa	Individual	Oppose	Written Testimony Only

Comments:

Oppose

**HB-760**

Submitted on: 1/27/2025 8:34:47 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Enoka-Shayne Bingo	Individual	Oppose	Written Testimony Only

Comments:

**Formal Complaint and Notice Of Demand**

I, Enoka-Shayne Bingo, living man, OPPOSE HB 760 and hereby submit this formal complaint and demand for immediate repeal, in its lawful substance over form and standing, of HB760 and any, or all conspiring legislation from consideration for approval by the legislative body, as well as all future ruling language pertaining to taxing of the people of Hawai'i in any capacity regarding so-called carbon emissions.

Please act upon the following statement:

Type into any search engine,

**"NOAA carbon emissions yearly chart"**

When you look at the above-mentioned graph, take notice of the year 2020 (when the entire world was on lockdown) NOTHING CHANGED. The chart data continued upward trend when 90% of the world was forced to "stay home", proving the rise of carbon is not a reaction of the actions of private citizens;

Whereas, it is not the responsibility of Hawai'i's people, but the mismanagement of lands, waterways and skies;

Whereas, the people do not approve of this negative law invoking an increased financial burden;

Whereas, carbon is a necessary component for plant life. There are common practices of Co2 generators that pump carbon into greenhouse structures to yield higher plant production.

Therefore, with common sense and righteousness, follow the majority of the people in participation of this testimony for HB760 and OPPOSE alongside your constituents, like lawful public representatives will do.

Respectfully, stop and correct your actions in full accordance and respect to the unalienable rights of We, the people, endowed to us by our creator.

Sincerely,

Enoka-Shayne Bingo

**HB-760**

Submitted on: 1/27/2025 9:37:17 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Arianna Kwock	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Lowen, Chair Kahaloa, and members of the EEP and AGR committees:

I strongly support this bill as it reduces climate pollution and increases Hawai'i's energy independence while protecting the vulnerable kama'aina families.

The bill places a carbon fee on fossil fuels such as oil, incentivizing businesses and individuals to use less fossil fuels, the emissions from which are warming the Earth and creating climate havoc in Hawai'i and globally.

The carbon fee revenues are used to fund a climate rebate that is distributed to Hawai'i tax filers. The bill provides a climate rebate, which offers a more progressive solution and protects vulnerable lower-income families.

The bill is simple to administer because it relies on existing mechanisms (e.g "barrel tax") to collect the carbon fee and distribute the climate rebates.

Hawai'i needs a more diversified approach to reduce carbon emissions and lessen our dependence on fossil fuels that are subject to the price volatility of the global market. This bill helps to achieve those goals efficiently and equitably, and works well with other policy approaches.

Mahalo!

Arianna Kwock, Mililani



**HB-760**

Submitted on: 1/27/2025 11:09:11 PM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Janelle Sheldon	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill as there is no solid research on the increase of carbon emissions effect on US and Hawaii citizens while there are hundreds of other countries that total higher burning of the their forests and woodlands, use of unethical sourcing of fossils fuels and oils and polluting the oceans and earth and yet US citizens to include Hawaii state members are the only ones punishing their people by taking MORE money from locals rather than those 100k tourists visiting the island every month, creating waste and using precious resources and food security from the island. Wasteful and inappropriate spending and taxing of those who care more of the island than those who wish to profit from it. To include the ones who have requested this bill to become law.

**HB-760**

Submitted on: 1/28/2025 7:31:59 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Erek Riccobuano	Individual	Oppose	Written Testimony Only

Comments:

Hawaii citizens are already suffering enough. We pay more than anyone for living expenses and taxes. Please don't hit us with another tax. If you want to clean up the environment, please start with cleaning up the homeless camps. They liter, deficate and misuse the envirnment more than anyone. They need help and we need less taxation.

**HB-760**

Submitted on: 1/28/2025 7:48:51 AM

Testimony for EEP on 1/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Yumi Moore	Individual	Oppose	Written Testimony Only

Comments:

I am writing to express my opposition to the proposed Hawai‘i Carbon Tax bill. While I understand the importance of addressing climate change, this bill unfairly places the burden on residents who are already struggling with Hawai‘i’s high cost of living.

This tax will increase costs for everyday essentials like gas, electricity, and groceries, which will hurt working families, kūpuna on fixed incomes, and small businesses the most. Many people in Hawai‘i cannot afford expensive alternatives like electric vehicles or solar panels, and until those solutions are more accessible, this tax will punish those with the fewest options.

Hawai‘i’s contribution to global carbon emissions is minimal, yet this tax will have a significant financial impact on our community. Instead of penalizing residents, the focus should be on expanding renewable energy, improving public transportation, and creating incentives for sustainable practices.

A carbon tax also risks harming our economy by raising costs for businesses, especially those in tourism and agriculture. Increased prices will trickle down to consumers and could make life in Hawai‘i even harder for local families.

Please consider the economic realities our residents face and the limited impact this tax would have on global emissions. I urge you to oppose this bill and explore solutions that help Hawai‘i transition to sustainability without placing additional financial burdens on the people.

Mahalo for your time and consideration.