

STAND. COM. REP. NO. **2610**

Honolulu, Hawaii

**FEB 18 2022**

RE: S.B. No. 2007  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committees on Agriculture and Environment and  
Transportation, to which was referred S.B. No. 2007 entitled:

"A BILL FOR AN ACT RELATING TO A CARBON TAX ON AVIATION  
FUEL, "

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Impose a state carbon emissions tax of \$6.25 per ton of carbon dioxide equivalent emissions on aviation fuel;
- (2) Direct the aviation fuel tax into the airport revenue fund; and
- (3) Implement a tax credit to mitigate the effects of the aviation fuel tax on low income tax payers.

Your Committees received testimony in support of this measure from the Ulupono Initiative, Climate Protectors Hawai'i, Elemental Excelerator, and five individuals. Your Committees received testimony in opposition to this measure from the Retail Merchants of Hawaii, Airlines for America, and three individuals. Your Committees received comments on this measure from the Department of Budget and Finance, Department of Transportation, Hawai'i State Energy Office, Department of the Attorney General, Department of Taxation, and Tax Foundation of Hawaii.



Your Committees find that the State's efforts to address climate change have overlooked the role of aviation fuel in producing greenhouse gas emissions. In accordance with the 2018 Intergovernmental Panel on Climate Change report and the Carbon Offsetting and Reduction Scheme for International Aviation, it is essential for Hawaii to reduce the level of greenhouse gas emissions from aviation fuel. This measure imposes an aviation fuel tax to help the State and aviation industry meet their respective sustainability and environmental goals.

Your Committees have amended this measure by:

- (1) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2007, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2007, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Agriculture and  
Environment and Transportation,



CHRIS LEE, Chair




MIKE GABBARD, Chair



The Senate  
Thirty-First Legislature  
State of Hawai'i

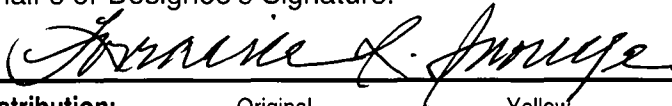
**Record of Votes**  
**Committee on Agriculture and Environment**  
**AEN**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2007	AEN/TRS, WAM	02/08/22		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	/			
NISHIHARA, Clarence K. (VC)	/			
ACASIO, Laura	/			
RHOADS, Karl	/			
FEVELLA, Kurt		/		
<b>TOTAL</b>	4	1		
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes

The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Transportation**  
**TRS**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2007	AEN/TRS, WAM	2-8-2022		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
LEE, Chris (C)	✓			
INOUE, Lorraine R. (VC)		✓		
DECOITE, Lynn		✓		
SHIMABUKURO, Maile S.L.	✓			
FEVELLA, Kurt		✓		
<b>TOTAL</b>	2	3		
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

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