

JOSH GREEN M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**

Ka 'Oihana 'Auhau  
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GARY S. SUGANUMA  
DIRECTOR

KRISTEN M.R. SAKAMOTO  
DEPUTY DIRECTOR

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

**TESTIMONY ON THE FOLLOWING MEASURE:**

S.B. No. 1060, Relating to Taxation

**BEFORE THE:**

Senate Committee on Agriculture and Environment and  
Senate Committee on Energy, Economic Development, and Tourism

**DATE:** Wednesday, February 15, 2023

**TIME:** 1:00 p.m.

**LOCATION:** State Capitol, Room 224

Chairs Gabbard and DeCoite, Vice-Chairs Richards and Wakai, and Members of the Committees:

The Department of Taxation ("Department") offers the following comments regarding S.B. 1060 for your consideration.

Section 2 of S.B. 1060, on page 9 of the bill, adds a new section to chapter 235, Hawaii Revised Statutes (HRS), to create a refundable income tax credit for each qualified taxpayer subject to the income tax. For 2024, the tax credit is \$65 for single and married filing separate filers; \$65 for head of household; \$130 for joint filers or surviving spouse; and \$30 per qualified dependent who is a minor. The amount of the credit increases annually by specified increments through 2036.

Section 5 on page 15 of the measure amends section 243-3.5, HRS, by imposing the environmental response, energy, and food security tax, renamed as the environmental response, energy, carbon emissions, and food security (EECF) tax, at various rates on 10 different types of petroleum products, in lieu of the existing single rate, and at various rates on two different types of fossil fuels, in lieu of the existing single rate. The rates increase annually by specified increments through 2036. The taxes imposed by these subsections shall be paid by the distributors of the petroleum products or fossil fuels.

This measure is effective upon approval, with the new credit in section 2 and the expansion of the EECF tax in section 5 applying to taxable years beginning after December 31, 2023.

First, the Department recommends making the proposed tax credit in section 2 nonrefundable, as refundable credits are more prone to fraudulent claims.

Second, the Department notes that creating 12 new rate categories to replace the two existing single rates for the barrel tax and fossil fuel tax will require significant resources to implement the form and system changes and to maintain the system. The Department recommends that, in lieu of creating 12 new rate categories, the existing framework (one rate for the barrel tax rate and one rate for the fossil fuel tax) is maintained, and that increases are made to these two rates.

Third, if the intent of the bill is that the tax credits in section 2 of the bill will be paid for by the increased revenue from the tax increases in section 5 of the bill, the Department recommends staggering the effective dates such that section 2 goes into effect one year after section 5 goes into effect. Based on the foregoing, the Department requests that the effective date of the bill be amended such that section 5 becomes effective on January 1, 2025 and section 2 applies to taxable years beginning after December 31, 2025.

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



STATE OF HAWAII  
DEPARTMENT OF HEALTH  
KA 'OIHANA OLAKINO  
P. O. BOX 3378  
HONOLULU, HI 96801-3378

In reply, please refer to:  
File:

**Testimony COMMENTING on SB1060  
RELATING TO TAXATION**

SENATOR MIKE GABBARD, CHAIR  
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT  
AND

SENATOR LYNN DeCOITE, CHAIR  
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Hearing Date: 2/15/2023

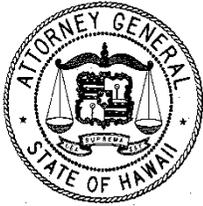
Room Number: 224

- 1 **Fiscal Implications:** This measure will impact the priorities identified in the Governor's  
2 Executive Budget Request for the Department of Health's (Department) appropriations and  
3 personnel priorities.
- 4 **Department Testimony:** SB1060 seeks to amend the environmental response, energy, and food  
5 security tax by adding carbon emissions as a component and creating a carbon tax with specific  
6 tax rates for the various petroleum products in order to reduce fossil fuel consumption.
- 7 The Department supports the intent to minimize fossil fuel consumption and greenhouse gases;  
8 however, we are concerned that the measure reduces the 5 cents per barrel allocation to the  
9 Environmental Response Revolving Fund (ERRF) from the current ceiling amount of \$1,250,000  
10 to \$1,116,000. The Department relies on these funds to effectively carry out its mission of  
11 protecting human health and the environment. The legislative intent of the ERRF focuses on the  
12 removal, remediation and detection of oil and pollutant or contaminant releases; and the removal  
13 and remediation of hazardous wastes and any other solid, liquid, or gaseous substance that may  
14 harm the environment. The ERRF is utilized when department staff respond to petroleum,  
15 hazardous materials, and other environmental releases. It pays for contract services to the  
16 University of Hawaii for sampling and analysis and contract services for the clean-up and  
17 removal of oil and hazardous waste. Notable examples using the ERRF include petroleum spills  
18 from vessels and stationary devices, unexploded ordnances (UXO's), response to the Red Hill

1 petroleum contamination, contamination of the drinking water supply from Red Hill, and the  
2 recent diesel spill from the Maui Space Surveillance Complex at Haleakala. The fund also  
3 covers operational expenses of the emergency response staff such as travel, purchase and  
4 maintenance of highly technical and sensitive equipment and personal protective equipment. Any  
5 reduction in the funding amount will negatively impact our operations and capabilities.

6

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



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-SECOND LEGISLATURE, 2023**

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**ON THE FOLLOWING MEASURE:**

S.B. NO. 1060, RELATING TO TAXATION.

**BEFORE THE:**

SENATE COMMITTEES ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM  
AND ON AGRICULTURE AND ENVIRONMENT

**DATE:** Wednesday, February 15, 2023      **TIME:** 1:00 p.m.

**LOCATION:** State Capitol, Room 224

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or  
Tammy Kaneshiro, Deputy Attorney General

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Chairs DeCoite and Gabbard and Members of the Committees:

The Department of the Attorney General has concerns regarding section 2 of this bill and offers the following comments.

The purpose of this bill is to establish a "carbon cashback program, which sets a carbon tax on fossil fuels and returns an equivalent amount of the money generated by the carbon tax, less administrative costs, to Hawaii residents." Page 8, line 18, through page 9, line . The carbon cashback program would provide a refundable tax credit or cash payment. Page 9, line 2. Under the bill, a "qualified taxpayer" eligible to claim the refundable tax credit is defined, in part, as a "resident taxpayer" meeting certain filing requirements. See page 13, lines 15-19. Therefore, the tax credit will be available to resident taxpayers, but not to similarly situated non-resident taxpayers. As such, this bill may be subject to challenge under the Privileges and Immunities Clause of the United States Constitution.

"The Privileges and Immunities Clause, U.S. Const., Art. IV, § 2, provides that the Citizens of each State shall be entitled to all Privileges and Immunities of Citizens in the several states." *Lunding v. New York Tax Appeals Tribunal*, 522 U.S. 287, 290 (1998) (internal brackets and quotation marks omitted). "One right thereby secured is the right of a citizen of any State to 'remove to and carry on business in another without being subjected in property or person to taxes more onerous than the citizens of the

latter State are subjected to." *Id.* at 296 (quoting *Shaffer v. Carter*, 252 U.S. 37, 56 (1920)). The Privileges and Immunities Clause, therefore, "prohibits a State from denying nonresidents a general tax exemption provided to residents." *Lunding*, 522 U.S. at 302.

To overcome a challenge under the Privileges and Immunities Clause to a law that distinguishes between residents and nonresidents, a state must demonstrate that (1) "there is a substantial reason for the difference in treatment"; and (2) "the discrimination practiced against nonresidents bears a substantial relationship to the State's objective." *Lunding*, 522 U.S. at 298 (quoting *Supreme Court of N.H. v. Piper*, 470 U.S. 274, 284 (1985)) (internal quotations omitted).

The stated reason in the bill for the tax credit is to reduce the consumption of fossil fuels, thus reducing carbon emissions for a more sustainable environment and reducing local air pollution (page 1, lines 1-7), which may be subject to challenge. It is unclear in the bill how the difference in treatment bears a substantial relationship to the State's objective.

We suggest amending the definition of "qualified taxpayer" on page 13, lines 15 to 19, by (1) removing the word "resident" from the definition of "qualified taxpayer," and (2) removing the various income tax filing status, as it is not needed. The amended wording would read as follows:

"Qualified taxpayer" means a taxpayer who files an individual income tax return.

This would address the possible Privileges and Immunities Clause challenge by making the refundable income tax credit available to similarly situated resident and nonresident taxpayers alike. Alternatively, if it is the Legislature's intent that only Hawaii residents should be eligible for this tax credit, we recommend providing more information in the preamble to provide a substantial justification for treating residents and nonresidents differently and explain how the different treatment bears substantial relationship to the Legislature's objective.

Thank you for the opportunity to provide comments.

## Citizens' Climate Lobby Hawaii

hi.ccl.lobby@gmail.com

cclhawaii.org



February 12, 2023

### **STRONG SUPPORT FOR SB1060 - RELATING TO TAXATION**

Dear Chairs Gabbard and DeCoite, Vice Chairs Richards and Wakai, and members of the Agriculture and Environment, and Energy, Economic Development and Tourism Committees,

**On behalf of the Citizens' Climate Lobby (CCL) Hawaii, I'm testifying in Strong Support of SB1060, which "Expands the environmental response, energy, and food security tax to include carbon emissions."**

CCL Hawaii comprises over 960 members in four chapters - Hawaii Island, Honolulu, Kauai, and Maui. We advocate for effective, efficient, and fair climate legislation. We support SB1060 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. [1] Globally, over 40 governments have introduced carbon pricing [2], and we've observed decades-long impacts in some of them. [3]

Studies at the national [4] and local levels [5] 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 low-middle-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 Commission

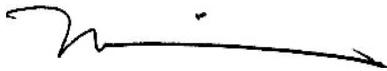
Carbon Cashback's pricing of carbon pollution will allow us to include the true social costs of carbon emissions into fossil fuels. This will trigger changes in consumer and business behaviors that favor efficiency and clean and renewable solutions. The outcome is a step-change in collective habits that will help Hawaii reduce its dependency on fossil fuels, accelerate its

transition to clean energy, and help create support for national carbon pricing. All of this will occur, while this bill's cashback (tax refund) feature will financially benefit low-to-middle-income households.

Climate change requires solutions on multiple fronts – emissions reduction, legacy carbon drawdown, and adaptation. SB1060's proposal to put a price on carbon and return revenue to people is critical to reducing emissions and will strengthen and complement other policies designed to reduce Hawai'i's emissions.

**Please support SB1060.**

Respectfully,

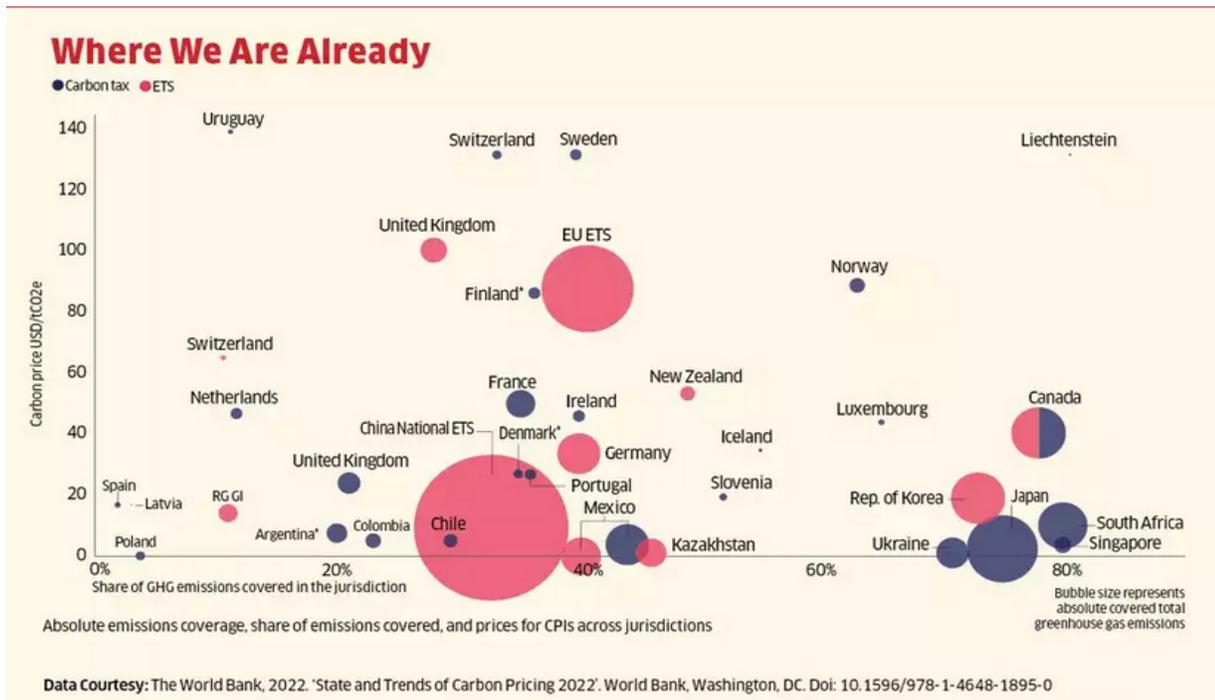


Noel Morin  
**CCL Greater Pacific Northwest Regional Coordinator**

Citizens' Climate Lobby (CCL) is a nonprofit, nonpartisan, grassroots advocacy organization focused on national policies to address climate change solutions. CCL Hawaii's 900+ members are part of a 180,000+ global organization. For more information, visit [citizensclimatelobby.org](https://citizensclimatelobby.org).

[1] **Carbon pricing is popular.** Endorsements for this policy have been received from many sectors. [citizensclimatelobbyhawaii.org/blog/carbon-cashback-lifting-the-shade](https://citizensclimatelobbyhawaii.org/blog/carbon-cashback-lifting-the-shade)

[2] Many countries have implemented (or are planning to implement) carbon pricing strategies.



Source: The Economic Times - February 2, 2023

[3] **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>

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

[5] 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 the 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)



## Testimony in support of SB1060

**Aloha Chair Gabbard, Vice Chair Richards and Members of the Committee on Agriculture and Environment, and Chair DeCoite, Vice Chair Wakai and members of the Committee on Energy, Economic Development, and Tourism,**

**The Carbon Cashback Task Force urges you to support SB1060 a bill that would enact Carbon Cashback in the 2023 legislative session**

The Carbon Cashback Task Force is a task force of Hawaii Environmental Change Agents that is formed of dozens of dedicated volunteers who have spent countless hours over several years, striving to pass this legislation, for the environment, and for the financial well being of low to moderate income individuals.

**Carbon Cashback** will reduce carbon emissions while benefiting low- and middle-income households. It would assess a fee on fossil fuel distributors and return the revenues to Hawaii residents. Many studies have found this to be the most cost-effective way to reduce greenhouse gas emissions; at the same time, it would provide cash benefits directly to families most affected by rising inflation and climate impacts.

This carbon-pricing strategy has proven successful in British Columbia and other jurisdictions. In Hawaii, Carbon Cashback legislation passed the Senate in 2020 and a similar bill passed the House in 2022. This year, we ask for your support to get this measure passed through both the House and the Senate.



### **Carbon Cashback will:**

#### **Reduce Emissions**

- Reduce Hawaii's carbon emissions by more than 10 percent.
- Complement and accelerate Hawaii's other climate strategies by encouraging businesses and

consumers to make more fuel-efficient and cleaner choices.

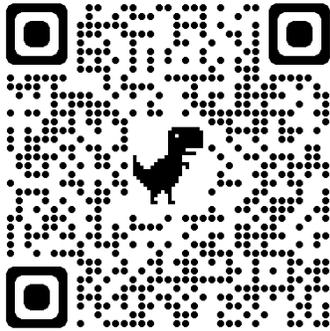
#### **Give Cash Back to Families**

- The revenues would be distributed in equal shares to Hawaii residents as refundable tax credits, with each child eligible for half of an adult's share.

- When fully implemented, a typical household would receive about \$1,000 each year, and roughly \$100 dollars of additional expense, resulting in a net benefit of around \$900.

### Benefit Low-Income Families the Most

- The purchasing power of low- and middle-income households would **increase**, as their rebates would be greater than the increases in their fossil fuel costs.



One-minute explanatory video from Faith Action

### Details

**Cashback:** The State Tax Department distributes the revenues in equal share to Hawaii residents as a refundable tax credit, with each child eligible for half of an adult’s share.

- When fully implemented, an average household would receive about \$1,000 per year. Rebate amounts would also increase gradually through 2036.

**Emission Reductions:** The tax would reduce cumulative carbon emissions by over 10 percent.

- Carbon Cashback complements and accelerates Hawaii’s other climate strategies by encouraging residents and businesses to make more fuel-efficient choices.

### Carbon Cashback Impacts (\$2012)

	2026	2031	2036
<b>Tax Amount (\$/MT CO<sub>2</sub> Eq.)<sup>1</sup></b>	\$50	\$54	\$60
<b>Revenues Generated (Million)</b>	\$470	\$510	\$530
<b>Average Household Rebate Amount</b>	\$980	\$1,000	\$1,100

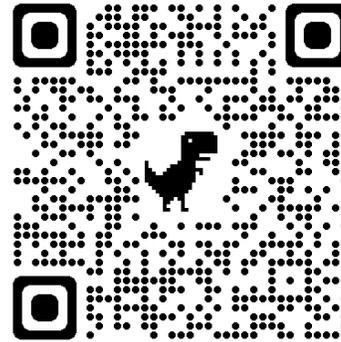
Source: University of Hawaii Economic Research Organization; Carbon Pricing Assessment for Hawaii Economic and Greenhouse Gas Impacts; April 23, 2021.

### Carbon Cashback Helps Low Income Families the Most

with the lowest incomes would, on average, achieve around **\$900** annual increase in purchasing power.

### Ensure Visitors Participate

- Monies paid by visitors would contribute to the rebates received by Hawaii residents.



More information at [citizensclimatelobbyhawaii.org/carbon-pricing-in-hawaii](http://citizensclimatelobbyhawaii.org/carbon-pricing-in-hawaii)

<sup>1</sup> The barrel tax rate for each imported fuel type is adjusted to reflect each fuel’s global warming potential (as determined by the Intergovernmental Panel on Climate Change), with carbon dioxide equivalents (CO<sub>2</sub> Eq.) being the common currency used for accounting purposes. For example, if Fuel Type A creates twice as much CO<sub>2</sub> per barrel as Fuel Type B, Fuel Type A’s barrel tax rate would be twice that of Fuel Type B.

A [University of Hawaii Economic Research Organization \(UHERO\) study](#) funded by the Hawaii Legislature found that the proposed carbon cashback mechanism is progressive, and would increase the purchasing power of all but the most wealthy households:

- Carbon cashback is progressive because lower income households consume less energy, and their rebate therefore more than offsets fossil fuel cost increases. This differs from many other climate strategies that favor the wealthy, such as zero-emission vehicle rebates.
- All but the 20% of the wealthiest households would see a net financial gain, with the lowest income residents benefitting most. The 20% of households with the lowest income would, on average, achieve a \$900 annual increase in purchasing power (i.e., ~\$100 in increased costs offset by ~\$1,000 rebate).
- Low-income residents with long drives to work would still come out ahead, as higher fuel prices would be offset by the rebate.<sup>2</sup>
- Fossil fuel consumed by tourists are also taxed, with revenues distributed to Hawaii residents.
- **Purchasing Power:** Carbon Cashback would give low- and middle-income families more financial tools to deal with inflation. The UHERO study found that the rebate would more than offset any energy price increase for all but the most affluent households, with the average middle-income household gaining by \$500 annually the average low-income household gaining by \$900 annually.<sup>3</sup>

In reviewing these findings, the Hawaii Tax Review Commission (TRC) published a [report to the Legislature](#) in December 2021 that identifies a carbon tax and rebate mechanism as its number one recommendation “to address Hawaii’s changing conditions and emerging needs, including climate change, meeting future obligations, and increasing tax equity and transparency (TRC Report Executive Summary).”<sup>4</sup>

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<sup>2</sup> Assuming the carbon tax is fully passed on to consumers, the price of gasoline would increase by \$0.55/gallon. \$900 in increased purchasing power could pay for the extra cost of 1,643 gallons of gasoline (\$900/\$0.55 per gallon ~ 1,600 gallons). A car achieving 25 miles per gallon could drive 40,000 miles on 1,600 gallons of gas (1,600 gallons x 25 miles per gallon = 40,000 miles). Over an assumed 250 commute days per year, someone could drive 80 miles each way (40,000 miles/250 days = 80 miles/day) and break even.

<sup>3</sup> An average household is assumed to have two adults and one child. Larger households would get a larger rebate while a smaller households would get less.

<sup>4</sup> The TRC report differs slightly from carbon cashback in that it recommends the highest quintile of income households not be eligible for a rebate, which provides higher rebates for the lowest four quintile households.



**LATE**

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Phone: (808) 848-2074; Fax: (808) 848-1921  
e-mail [info@hfbf.org](mailto:info@hfbf.org); [www.hfbf.org](http://www.hfbf.org)

February 15, 2023

HEARING BEFORE THE  
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM  
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

**TESTIMONY ON SB 1060**  
RELATING TO TAXATION

Conference Room 224 & Videoconference  
1:00 PM

Aloha Chairs DeCoite and Gabbard, Vice-Chairs Wakai and Richards, and Members of the Committees:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

**The Hawai'i Farm Bureau supports SB 1060**, which establishes a carbon emissions tax credit and expands the environmental response, energy, and food security tax to include carbon emissions.

The barrel tax was intended to support critical investments in clean energy, local agricultural production, and environmental response to reduce the State's dependence on imported fossil fuels and food products. As an organization opposed to new taxes, HFB took an unusual step by supporting the environmental response, energy, and food security tax, or barrel tax. It was a desperate move by the industry to secure stable funding for Hawai'i's agricultural industry.

The barrel tax was originally intended to increase local capacity to grow and produce import replacement products in order to fulfill the State's vision for increased self-sufficiency and sustainability. During the economic downturn, proceeds from this fund were reallocated to balance the budget. Act 9 and Act 87 of Session 2021 repealed HDOA's portion of the Barrel Tax.

HFB requests the reinstatement of the agricultural development and food security special fund.

Thank you for this opportunity to testify on this important subject.



Email: [communications@ulupono.com](mailto:communications@ulupono.com)

SENATE COMMITTEES ON ENERGY, ECONOMIC DEVELOPMENT, & TOURISM AND  
AGRICULTURE & ENVIRONMENT  
Wednesday, February 15, 2023 — 1:00 p.m.

**Ulupono Initiative supports SB 1060, Relating to Taxation.**

Dear Chair DeCoite, Chair Gabbard, and Members of the Committees:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

**Ulupono supports SB 1060**, which establishes a Carbon Emissions Tax Credit and expands the Environmental Response, Energy, and Food Security Tax to include carbon emissions.

To avoid the worst impacts of climate change, significant reductions in greenhouse gas emissions are necessary. A recent report from the Intergovernmental Panel on Climate Change (IPCC) finds that carbon dioxide (CO<sub>2</sub>) emissions would need to fall by about 45% from 2010 levels by 2030 to limit warming to 1.5 degrees Celsius.<sup>1</sup> A carbon cashback program can be an effective tool to reduce greenhouse gas emissions while not financially burdening most households.

Research conducted by the Institute for Sustainability and Resilience, and the University of Hawai'i Economic Research Organization (UHERO), further supports the viability of this concept as an emissions reduction measure, estimating a 13% reduction in statewide emissions with the lower-priced pathway. They also noted that, unlike most taxes, it was possible to implement this program in a way that all households in Hawai'i, on average, would benefit economically. This is made possible by our visitors paying into the program, but only our residents can receive the cashback.

Additionally, in December 2021, the Hawai'i Tax Review Commission in its 2020-2022 report to the Legislature also recommended that Hawai'i employ a carbon cashback program to encourage clean energy development and improve most households' economic welfare in the process. With lower-income households expected to experience net

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<sup>1</sup>[Summary for Policymakers of IPCC Special Report on Global Warming of 1.5 degrees Celsius approved by governments](#), October 8, 2018.

economic benefits greater than those of higher-income households, this is a progressive measure that will disincentivize the use of fossil fuels while simultaneously helping the households that need it the most.

While the research offers many insights and a better understanding of the potential impacts of such a program, unfortunately, to our knowledge, the data is unavailable to really understand the likely negative impacts to local industries (particularly non-service industries that compete against imports that are produced or manufactured without a carbon tax). Furthermore, assessing any proportional impact to neighbor island communities is also challenging. Although an improved understanding of these issues would be ideal, we still believe that the estimated benefits outweigh all likely negative impacts. Quite frankly, time is short and action across the globe is needed. If passed in this form, UluPono believes this measure will provide many transformative environmental, economic and equity benefits.

However, UluPono recommends the Legislature look to the recommendations proposed by the Hawai'i Tax Review Commission in its 2020-2022 report, specifically:

- (1) Maintain an 80/20 percent split between the tax revenues for households and the general fund. The committee should also consider adopting the recommendation to earmark the 20% for helping stakeholders address specific challenges of implementing this program. These funds could be used to mitigate the impacts to local industries, such as local farmers and other smaller businesses.
- (2) Earlier review and adjustment to ensure outcomes are on track. The 2020-2022 Tax Review Commission's follow-up research on the carbon cashback program found equity enhancing benefits for low- to moderate-income residents so long as at least 80% of the funds raised were distributed in equal shares back to households. This bill instead offers fixed dollar tax credits per year. These amounts may turn out to be significantly more or less than the researched 80% of carbon tax proceeds (returned to tax payers) threshold. As such, we would recommend that these amounts be reviewed at least every 5 years and adjusted to stay at least approximately on track with the 80% return threshold.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata  
Director of Government Affairs



## SB 1060, RELATING TO TAXATION

FEBRUARY 15, 2023 · SENATE AGRICULTURE AND ENVIRONMENT AND ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM COMMITTEES · CHAIRS SEN. MIKE GABBARD AND SEN. LYNN DECOITE

**POSITION:** Strong support.

**RATIONALE:** Imua Alliance **strongly supports** SB 1060, relating to taxation, which establishes a carbon emissions tax credit; expands the environmental response, energy, and food security tax to include carbon emissions; and applies to taxable years beginning after 12/31/2023.

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, like seawalls.

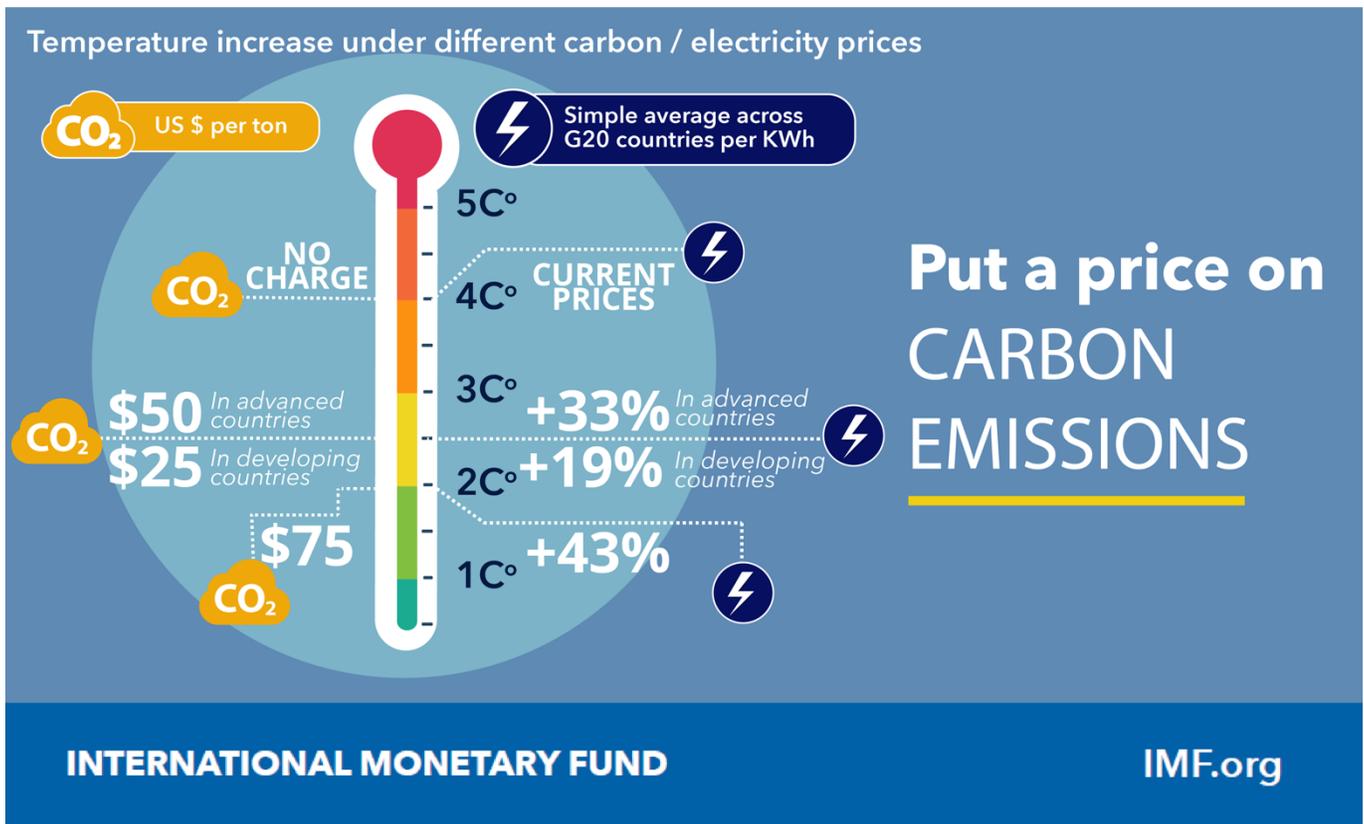
Furthermore, according to research conducted by Michael B. Gerrard from Columbia Law School, modern-day slavery tends to increase after natural disasters or conflicts where large numbers of people are displaced from their homes. In the decades to come, says Gerrard, **climate change will very likely lead to a significant increase in the number of people who are displaced**

**and, thus vulnerable, to human trafficking.** While the Paris Climate Agreement of 2015 established objectives to limit global temperature increases and several international agreements are aimed at combating modern-day slavery, it is highly uncertain whether they will be adequate to cope with the scale of the problem that is likely to occur as a result of climate change.

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 at 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.

**Table 31: Estimated Impact of Carbon Tax, State of Hawaii**

Per capita energy related CO2 emissions in 2013	2013 Electronic Power Fossil Combustion CO2	2013 Industrial Fossil Fuel Combustion	Total including transport	Total potential revenue, assuming 2013 emissions and tax rate of \$20/ton CO2	Total carbon tax potential revenue as a share of state GDP in 2013
metric tons CO2/person	MMTCO2	MMTCO2	MMTCO2	\$ millions	%
12.9	6.8	1.5	18.3	<b>\$365</b>	0.49%

Source: Brookings Institution State-Level Carbon Taxes, 2016

As the preamble to this measure notes, dozens of 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

As we accelerate our transition to a clean energy economy and continue our fight against climate change, we cannot afford to forego this sustainability-minded method of revenue generation.

**SB-1060**

Submitted on: 2/13/2023 10:36:19 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Ted Bohlen	Testifying for Climate Protectors Hawaii	Support	Written Testimony Only

Comments:

The Climate Protectors **strongly support** SB1060.

**Testimony of The Nature Conservancy  
Supporting SB 1060, Relating to Taxation**

**Committee on Agriculture and Environment  
Committee on Energy, Economic Development, and Tourism  
February 15, 2023, 1:00 pm  
Conference Room 224 via Videoconference**

Aloha Chair Gabbard, Chair DeCoite, Vice Chair Richards, Vice Chair Wakai, and Members of the Committees:

**The Nature Conservancy (TNC) supports SB 1060**, Relating to Taxation, which would establish a carbon emissions tax credit and would expand the environmental response, energy, and food security tax to include carbon emissions.

TNC supports putting a price on carbon pollution to make a significant contribution to addressing the challenge of climate change. Economists overwhelmingly agree that the market-based approach embodied in the legislation will achieve emissions reductions in the most efficient and lowest cost way possible. The economic impacts on families and individuals of the carbon price would be mitigated by the refundable income tax credit.

TNC works to protect and manage the natural systems that sequester carbon, provide our fresh water, and protect our coastlines; all of which reduce the impacts of climate change. However, to fully address the growing impacts of our changing climate, we need bold action. Nature can play a huge role in pulling carbon out of the atmosphere, but it needs policies like a carbon price to also ensure that emissions are reduced.

Mahalo for the opportunity to provide testimony on SB 1060.

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*The Nature Conservancy of Hawai'i and Palmyra is a non-profit organization dedicated to the preservation of the lands and waters upon which all life depends. The Conservancy has helped protect more than 200,000 acres of natural lands in Hawai'i and Palmyra Atoll. We manage 40,000 acres in 13 nature preserves and work in over 50 coastal communities to help protect and restore the nearshore reefs and fisheries of the main Hawaiian Islands. We forge partnerships with government, private parties, and communities to protect forests and coral reefs for their ecological values and for the many benefits they provide to people.*

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## **Democratic Party of Hawai'i Supports S.B. No. 1060**

The Democratic Party of Hawai'i supports S.B. No. 1060, to assess a tax on producers and importers of fossil fuels.

We support the carbon tax as providing an equitable regulatory mechanism to incentivize a conscious and concerted movement away from an economy centered around the burning of fossil fuels as a means of creating energy which provides integrated means by which adverse economic externalities can be mitigated with fairness for the benefit of Hawai'i's households.

We broadly support measures that are designed to promote a more sustainable environment and the ends of rational climate policy.

Mahalo.

Dennis W. Jung  
State Party Chair  
Democratic Party of Hawai'i

February 14, 2023

Senator Mike Gabbard, Chair  
Senator Herbert M. "Tim" Richards, III, Vice Chair  
Committee on Agriculture and Environment

Senator Lynn DeCoite, Chair  
Senator Glenn Waikai, Vice Chair  
Committee on Energy, Economic Development and Tourism

Wednesday, February 15, 2023

1:00 pm

Via Videoconference

RE: **SB1060** Relating to Taxation (**Strong Support**)

Dear Chairs Gabbard & DeCoite, Vice Chairs Richards & Waikai, & Members of the Committees,

The Chamber of Sustainable Commerce (CSC) testifies in strong support of SB1060, which establishes a carbon emissions tax credit and expands the environmental response, energy, and food security tax to include carbon emissions.

As business owners who believe we can strengthen our economy without hurting workers, consumers, or the environment, we urge this committee to pass SB1060. The carbon tax on carbon emitting fossil fuels will bring consumer pricing closer to what they would actually cost without \$662 billion in subsidies the United States provided fossil fuel industries in 2020. This would level out the playing field for alternative energy options that significantly would reduce carbon emissions.

Carbon taxes often disproportionately burden lower-income earners; however the tax credit structure included in this bill will offset this impact.



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**Hawaii  
Legislative  
Council**

Maile Meyer  
Na Mea Hawaii  
Honolulu

Russel Rudderman  
Island Naturals  
Hilo / Kona

Tina Wildberger  
Kihei Ice  
Maui

Joell Edwards  
Wainiha Country Market  
Kauai

Kim Coco Iwamoto  
AQuA Rentals, LLC  
Honolulu

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**SB-1060**

Submitted on: 2/13/2023 1:01:01 PM

Testimony for EET on 2/15/2023 1:00:00 PM

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

Comments:

I am writing on behalf of the Kaua`i Climate Action Coalition (KCAC), a group of 150 island residents committed to addressing and mitigating the climate crisis through education, policy, and direct action. **KCAC strongly support SB 1060** because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai`i and use the tax revenues to fund a rebate that will be distributed to Hawai`i residents in equal shares. The time to pass this bill is now while we can avert the worst of the climate crisis.

The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel.

The bill is revenue neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai`i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

The World Bank asserts that carbon pricing is the most effective way to reduce climate pollution, and thousands of economists, including twenty-eight Nobel Laureate economists, four former Chairs of the Federal Reserve, and fifteen former Chairs of the Council of Economic Advisors (see <https://www.econstatement.org/>), have said that "a carbon tax offers the most cost-effective lever to reduce carbon emissions at the scale and speed that is necessary." The Group of 20 (G20), which includes the United States, the European Union, China, and India, representing ninety per cent of the world's economy, encourages the appropriate use of carbon pricing when used among a wide set of tools to control climate change.

It is clear that climate change is upon us now. Not only are we witnessing rising seas and more violent weather events but seeing also the impacts of these events on the people in our communities and around the world. If we are to maintain the livability of our planet for ourselves, our keiki, our mo`opuni, and the diversity of life, we need urgent, effective action. As a former chancellor of Kaua`i Community College, I know that our young people are deeply concerned and distressed about their future. I share their concern. When I look at my grandchildren, I want to know that we have done all we can to mitigate the climate emergency. SB 1060 is a critical step in that direction. Please support SB 1004. Mahalo.

Helen Cox, Chair

Kaua`i Climate Action Coalition

Kalaheo Kauai



# Citizens' Climate Lobby | Youth

## Support of SB1060

Date: Feb. 13, 2023  
To: EET & AEN  
From: Citizens' Climate Lobby, Hawai'i Youth Action Team  
Re: **STRONG SUPPORT for SB1060** RELATING TO TAXATION  
Hearing: Feb. 15, 2023, 1:00PM

Aloha Chair DeCoite, Chair Gabbard, and members of the EET and AEN committees, The Youth Action Team of the Hawai'i Citizens' Climate Lobby, representing a large delegation of passionate high school students, **strongly supports** Senate Bill No. 1060, pertaining to Carbon Cashback.

SB1060 is a progressive bill that will tax fossil fuel corporations and compensate consumers, better enabling Hawai'i's transition to renewable sources of energy, through an equitable and cost effective system. This bill is especially crucial in the eyes of the youth—the next generation whose present and future depend on the government, not only taking one step in the right direction, but also carving a fully sustainable path to a livable future.

For the youth of Hawai'i, the climate crisis has found its way into nearly every aspect of our lives: the news, the classroom, and the conversations with friends and family. Along the shores of Oahu, invasive algae and foggy water are ailing our beautiful beaches. Throughout the Ala Wai, rising temperatures are fostering deadly, flesh-eating bacterial blooms that seep into nearby waters. Everyday, we see erosion eating away at the foundation of homes and our childhood beaches. We watch as coral bleaching destroys native environments and puts indigenous species at risk. With each consequence comes another lost experience, another disconnect from our past generations. With each sign of inaction, our future grows even more uncertain.

Amidst these intensifying consequences, the need to address the neglected social costs of our current system becomes abundantly clear. **It is due time for action.**

SB1060 is *the* opportunity to correct this market failure and remedy our neglected system, while ensuring the protection and equity of households in Hawai'i, even financially benefiting the majority of households. Furthermore, by making clean energy a more affordable alternative, it drives sustainable innovation and strengthens an abundance of other environmental goals.

Because of this, SB1060 is the most cost-effective climate policy to reduce our greenhouse gas emissions. We know that much of the drivers of climate change are fundamentally economic; in turn, SB1060 will be its economic panacea.

On December 3rd, 2022, the Climate Future Forum at the Hawai'i State Capitol brought together 80 youth, educators, policymakers and nonprofits to evaluate and discuss our legislative climate priorities. Carbon Cashback was one of the most widely supported policies at the event.

We must act now to save our future. Please pass SB1060—this will be how we set an example for both the state of Hawai'i and the rest of the nation.

Mahalo for this opportunity to testify.

Sincerely,  
Citizens' Climate Lobby, Hawai'i Youth Action Team



## Airlines for America®

*We Connect the World*

February 14, 2023

The Honorable Mike Gabbard, Chair  
The Honorable Herbert M. "Tim" Richards, III, Vice Chair  
Senate Committee on Agriculture and Environment

The Honorable Lynn DeCoite Chair  
The Honorable Glenn Wakai, Vice Chair  
Senate Committee on Energy, Economic Development and Tourism

Re: SB 1060 and SB 1004

Dear Sens. Gabard, Richards, DeCoite and Wakai:

On behalf of the members of Airlines for America (A4A)<sup>1</sup> – the primary trade organization of the U.S. passenger and cargo airlines – I write to respectfully oppose SB 1060 and SB 1004, which would extend the state's environmental response, energy and food security tax to aviation fuel. While A4A opposes the bill because such tax increases negatively affect commercial aviation, we are also concerned that the bill appears to violate Federal law on the use of revenue derived from taxes imposed on aviation fuel.

### **More Taxes Hurt Aviation**

Hawai'i is already a very high-tax state when it comes to taxes on commercial aviation fuel, and this bill would only make it worse. A4A estimates that the state has the ninth highest tax burden on jet fuel of all 50 states. Applying the current general excise tax rates, fuel purchased at HNL is already subject to more than 13 cents a gallon in state and local taxes, and this bill would add more than two cents per gallon at a time when the price of fuel is rising.

The specter of increased costs could not come at a worse time for the industry. Commercial aviation was hit hard by the pandemic, and the recovery has been slow. Ticket sales are rising, but demand for corporate and long-haul international travel continues to lag, leaving revenues depressed. Moreover, Hawai'i's aviation sector continues to suffer. Through-put at TSA checkpoints in Hawai'i was down more than 22 percent in December 2021 versus the same month in 2019.

Even in good economic times, aviation runs on small margins, and the imposition of added tax costs would mean less money to invest in cleaner and more-efficient aircraft, new routes and employees. Those investments mean more economic growth and, prior to the pandemic, aviation was a driving force of the state's economy. In fact, commercial aviation is vital to Hawai'i's economic health, more so than any other state. According to FAA statistics from 2016 (the latest available), commercial aviation accounted for 20.7 percent of the state's GDP and 215,000 jobs, which was 23.5 percent of the state's total. Overall, commercial aviation contributed a total annual economic impact of more than \$30 billion to Hawai'i.

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

Adding a new tax to fuel would only raise the cost of doing business in Hawai'i, harming recovery for both the industry and the state, as well as jeopardizing the economic benefits that flow to the state.

### **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. SB 1060 and SB 1004 would deposit aviation fuel tax revenues into the environmental response revolving fund, the energy security special fund, the energy systems development special fund, and the electric vehicle charging system subaccount. These accounts do not appear to benefit aviation, versus other state environmental and energy purposes, and would therefore amount to an impermissible diversion of fuel tax revenue. 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 or civil penalties.<sup>2</sup>

A4A strongly supports these rules, agreeing with Congress's intent that states should not burden air transportation with taxes to support unrelated purposes when passengers and shippers are already paying their fair share for the system through Federal taxes that fund airports and the management of the national air space.

We respectfully urge you to reject SB 1060 and SB 1004 for these reasons. Thank you for your time and consideration of this important matter. If you have questions or need further information, please contact me.

Sincerely

A handwritten signature in blue ink, appearing to read 'Sean Williams', is positioned below the word 'Sincerely'.

Sean Williams  
Vice President, State and Local Government Affairs  
swilliams@airlines.org  
(202) 626-4007

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<sup>2</sup> See 49 USC 47133(b); 49 USC 47107; and the FAA Policies and Procedures Concerning the Use of Airport Revenues, 64 Fed. Reg. 7696 (Feb. 16, 1999) as clarified by 78 Fed. Reg. 69789 (Nov. 21, 2013) and 79 Fed. Reg. 66282 (Nov. 7, 2014).

# TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

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

BILL NUMBER: SB 1060, HB 1498

INTRODUCED BY: SB by KEITH-AGARAN, AQUINO, MCKELVEY, RHOADS, Kidani, Moriwaki; HB by SAIKI (by request)

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 235, HRS, granting a refundable tax credit to mitigate the effect of a carbon emissions tax on taxpayers.

<b>For single taxpayers or married filing separately:</b>		
<b>Calendar Year</b>	<b>Credit Amount</b>	<b>Plus additional per minor child:</b>
2024	\$ 65	\$ 30
2025	210	100
2026	360	180
2027	380	190
2028	420	201
2029-2032	440	220
2033	450	220
2034	460	230
2035	470	230
2036 and thereafter	480	240
<b>For head of household:</b>		
<b>Calendar Year</b>	<b>Credit Amount</b>	<b>Plus additional per minor child:</b>
2024	\$ 65	\$ 30
2025	210	100
2026	360	180
2027	380	190
2028	420	201
2029-2032	440	220
2033	450	220
2034	460	230
2035	470	230
2036 and thereafter	480	240

<b>For married filing jointly or surviving spouse:</b>		
<b>Calendar Year</b>	<b>Credit Amount</b>	<b>Plus additional per minor child:</b>
<b>2024</b>	\$ 130	\$ 30
<b>2025</b>	420	100
<b>2026</b>	720	180
<b>2027</b>	760	190
<b>2028</b>	850	201
<b>2029-2032</b>	880	220
<b>2033</b>	900	220
<b>2034</b>	920	230
<b>2035</b>	940	230
<b>2036 and thereafter</b>	960	240

Defines a qualified taxpayer eligible for the credit as a resident taxpayer who files an individual income tax return, whether as a single taxpayer, a head of household, a married individual filing a separate return, a married couple filing a joint return, or a surviving spouse.

Defines a qualifying child as a minor who resides with the taxpayer and is claimed as a dependent by the qualified taxpayer.

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>Product</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>
Butane	\$4.26	\$10.86	\$17.73	\$18.40	\$19.09	\$19.81	\$20.55	\$21.30	\$22.08	\$22.89	\$23.72	\$24.57	\$25.44
Propane	\$3.80	\$9.46	\$15.35	\$15.93	\$16.52	\$17.14	\$17.77	\$18.42	\$19.09	\$19.78	\$20.49	\$21.22	\$21.97
Gasoline	\$5.27	\$13.96	\$23.00	\$23.89	\$24.80	\$25.74	\$26.71	\$27.71	\$28.74	\$29.80	\$30.88	\$32.01	\$33.16
Diesel	\$5.95	\$16.06	\$26.57	\$27.60	\$28.66	\$29.75	\$30.88	\$32.04	\$33.23	\$34.46	\$35.73	\$37.03	\$38.37
Kero- sene	\$5.93	\$15.97	\$26.42	\$27.44	\$28.50	\$29.58	\$30.70	\$31.86	\$33.04	\$34.27	\$35.53	\$36.82	\$38.15
Aviation gas	\$3.99	\$12.22	\$20.77	\$21.61	\$22.48	\$23.37	\$24.28	\$25.23	\$26.20	\$27.20	\$28.23	\$29.29	\$30.39
Jet fuel	\$4.68	\$14.33	\$24.37	\$25.35	\$26.37	\$27.41	\$28.49	\$29.60	\$30.74	\$31.91	\$33.12	\$34.37	\$35.65
No. 6 fuel oil	\$6.46	\$17.62	\$29.22	\$30.35	\$31.53	\$32.73	\$33.98	\$35.26	\$36.57	\$37.93	\$39.33	\$40.77	\$42.25
LP Gas	\$3.78	\$9.41	\$15.26	\$15.83	\$16.42	\$17.03	\$17.66	\$18.31	\$18.97	\$19.66	\$20.36	\$21.09	\$21.84
Other	\$5.99	\$16.18	\$26.76	\$27.80	\$28.87	\$29.98	\$31.11	\$32.28	\$33.48	\$34.72	\$36.00	\$37.31	\$38.66

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

- (1) \$1,116,000 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) 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
- (7) 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:

Fuel	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Coal (all forms)	\$1.29	\$3.55	\$5.90	\$6.13	\$6.37	\$6.61	\$6.87	\$7.13	\$7.39	\$7.67	\$7.95	\$8.24	\$8.54
Natural gas (including LNG)	\$0.80	\$2.04	\$3.34	\$3.47	\$3.60	\$3.73	\$3.87	\$4.02	\$4.16	\$4.31	\$4.47	\$4.63	\$4.80

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.

Deletes the current exemption for aviation fuel.

Makes technical and conforming amendments.

EFFECTIVE DATE: Taxable years beginning after December 31, 2023.

**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 “[I]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.

**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,” as the bill titles it, 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: 2/12/2023



February 15, 2023

1 p.m.

Conference Room 224 and Videoconference

**To: Senate Committee on Agriculture and Environment**

**Senator Mike Gabbard, Chair**

**Senator Herbert M. "Tim" Richards III, Vice Chair**

**Senate Committee on Energy, Economic Development, and Tourism**

**Senator Lynn DeCoite, Chair**

**Senator Glenn Wakai, Vice Chair**

**From: Grassroot Institute of Hawaii**

**Ted Kefalas, Director of Strategic Campaigns**

RE: SB1060 — RELATING TO TAXATION

***Comments Only***

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on [SB1060](#), which would create a refundable income tax credit in the attempt to offset a proposed massive increase in the tax on petroleum products and fossil fuels.

If enacted, this bill also would create an income tax credit that would gradually increase from \$65 for single taxpayers and \$130 for those filing jointly in 2024 to \$480 or \$960 plus an additional child credit of \$240 in 2036 and beyond.

This tax credit is meant to offset a proposed increase in Hawaii's existing barrel tax from \$1.05 currently to between \$3.78 and \$6.46, depending on the type of fuel, by 2024. Gasoline would be taxed at \$5.27 a barrel.

By 2036, the barrel tax would range from \$21.84 to \$42.25, depending on fuel type. The gasoline tax in 2036 would be \$33.16 a barrel.

Energy taxes also would be increased, from the current 19 cents per 1 million BTUs to \$1.29 for coal and 80 cents for natural gas in 2024. By 2036, that tax would be \$8.54 for coal and \$4.80 for natural gas.

This bill further directs a portion of the revenues from this massive tax hike to a variety of special funds and renames the taxes to incorporate references to carbon emissions, food security and the environment.

Despite the rhetoric, however, SB1060 is little more than an attempt to promote a political position on state energy policy via an enormous tax increase and redistribution scheme.

The proposal outlined in this bill appears to be based on the faulty 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 impact of tax hikes, especially energy tax increases, on the economy as a whole.

Despite the tax refund included in the proposal, this bill would absolutely raise the cost of living in Hawaii. This bill is, in fact, a continuation of the policy of social planning-via-taxation that has helped make Hawaii one of the most expensive states in the nation.

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-19 lockdowns, and now we are in an inflationary environment that is further making it hard to make ends meet.

Hawaii residents in general are beset with taxes, bearing the [second-highest overall tax burden](#) in the U.S. That high tax burden contributes to Hawaii's cost of living and is one of the reasons Hawaii's population has been declining every year for the past six years. The last thing Hawaii residents and businesses need at this point is a tax hike.

In addition, the state is projected to have a \$10 billion budget surplus by fiscal 2027, so lawmakers cannot claim they "need" this extra revenue.

If members of this committee are looking for reasons to object to this proposed massive tax hike, Here are a just a few:

>> Hawaii is predicted to enter an economic slowdown later this year.<sup>1</sup> Tax hikes might only exacerbate this slowdown, since entrepreneurs will be less likely to want to invest their capital — or "wealth assets," as the case may be.<sup>2</sup>

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<sup>1</sup> Annalisa Burgos, "[Experts: Hawaii's economy poised to slow down 'significantly,' but stop short of recession](#)," Hawaii News Now, Jan. 22, 2023.

<sup>2</sup> Aaron Hedlund, "[How Do Taxes Affect Entrepreneurship, Innovation, and Productivity?](#)" Center for Growth and Opportunity at Utah State University, Dec. 23, 2019; Ergete Ferede, "[The Effects on Entrepreneurship of Increasing Provincial Top Personal Income Tax Rates in Canada](#)," Fraser Institute, July 10, 2018; Robert Carroll, Douglas Holtz-Eakin, Mark Rider and Harvey S. Rosen, "[Personal Income Taxes and the Growth of Small Firms](#)," National Bureau of Economic Research, October 2000.

>> Hawaii has a progressive income tax that taxes high-income earners at 11%, second only to California at 13.3%.<sup>3</sup> Hawaii's top 1% already pays 24.9% of all income taxes in the state,<sup>4</sup> and everyone earning more than \$100,000 — equal to 17% of all Hawaii taxpayers — are paying 67% of the total.<sup>5</sup>

>> The continuing exodus of Hawaii residents due to the state's high cost of living has been leaving those who have stayed with a higher tax burden. Washington, Nevada, Texas and Florida — four of the top five destinations for Hawaii residents moving to the mainland — do not have income taxes.<sup>6</sup>

>> State lawmakers increased taxes and fees substantially following the Great Recession of 2007-2008,<sup>7</sup> despite a windfall in revenues from an economic boom during the previous decade. Taxes and fees ballooned on motor vehicles, transient accommodations, estates, fuel, food, wealthy incomes, property, parking and businesses.

In sum, it cannot be understated how much of an impact this bill, if enacted, would have on Hawaii's cost of living — a difference that cannot be captured in a simple tax refund.

Every business, from doctor offices to grocery stores, will have to account for the higher energy costs and fuel costs that will result from this tax, translating into higher transportation and delivery costs. Those costs will become part of their overhead and force them to raise their prices accordingly.

Even if Hawaii residents could trust that the refund would not be canceled, or that the tax would not go even higher, this bill's refunds would never come close to undoing the economic damage that its tax hikes would do to our state economy.

We hear a lot about helping lower-income families, but this bill seems designed to make Hawaii even more unaffordable. If enacted, it would cause more businesses to close and more locals to leave Hawaii.

If policymakers are serious about helping working families, they should abandon the high-tax approach that has already established Hawaii as the state with the highest cost of living.

Instead, they should focus on lowering those costs by reducing income taxes, creating an exemption to the general excise tax for groceries and medical services, lowering fees and reducing regulations that limit opportunities and stifle economic growth.

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<sup>3</sup> Timothy Vermeer and Katherine Loughead, "[State Individual Income Tax Rates and Brackets for 2022](#)," Tax Foundation, Feb. 15, 2022.

<sup>4</sup> "[Hawaii Individual Income Tax Statistics: Tax Year 2020](#)," Hawaii Department of Taxation, Sept. 29, 2022, Table 13A.

<sup>5</sup> "[Hawaii Individual Income Tax Statistics](#)," Hawaii Department of Taxation, September, 2022, p. 44.

<sup>6</sup> Katherine Loughead, "[How Do Taxes Affect Interstate Migration?](#)" Tax Foundation, Oct. 11, 2022.

<sup>7</sup> "[Tax Acts \(by Year\)](#)," Tax Foundation of Hawaii, accessed Jan. 30, 2023.

Thank you for the opportunity to submit our comments.

Sincerely,

Ted Kefalas  
Director of Strategic Campaigns  
Grassroot Institute of Hawaii



February 15, 2023

**TESTIMONY PROVIDING COMMENTS ON SENATE BILL 1004 & 1060  
RELATING TO TAXATION**

Senate Committee on Energy, Economic Development, & Tourism  
The Honorable Lynn DeCoite, Chair  
The Honorable Glenn Wakai, Vice Chair

Senate Committee on Agricultural & Environment  
The Honorable Mike Gabbard, Chair  
The Honorable Herbert M. "Tim" M. Richards, III, Vice Chair

Tuesday, February 15, 2023 at 1:00 p.m.  
VIA VIDEOCONFERENCE  
Conference Room 224  
State Capitol  
415 South Beretania Street

Aloha Chairs DeCoite and Gabbard, Vice Chairs Wakai and Richards and members of the Committees,

Thank you for this opportunity to submit written testimony offering comments and concerns on Senate Bills 1004 and 1060, Relating to Taxation. My name is Marc Inouye, Director of Government and Public Affairs for Par Hawaii. Par Hawaii is the state's only producer of petroleum products, including transportation fuels.

Senate Bills 1004 and 1060 would effectively establish a carbon tax on fuel by increasing the Environmental Response, Energy and Food Security tax that is currently imposed on fuel. The bill would also establish a refundable income tax credit intended to mitigate the effect of the carbon emissions tax.

We recognize the importance of charting a clean energy future for Hawaii. As the local producer of fuels for Hawaii's consumers, we want to be a part of this future by producing clean fuel for Hawai'i. This legislation would increase the cost of fossil fuels but would not provide enough of an incentive for the local production of renewable fuels. For example, in California, renewable diesel is eligible for a low carbon credit that in the past has ranged between \$1.00-1.50 per gallon. We need incentives that will allow local producers to compete in the national and global market for renewables.

As a result of the pandemic, several refineries in the US have announced plans to partially or fully convert to renewable fuels production, primarily renewable diesel. While the feedstocks vary, soybean and other vegetable oils will serve as the raw material for most of these renewable fuels. In Hawaii, we have very limited local sources of these oils. We are beginning the process of reaching out to large landowners in Hawaii to discuss ways we can work together to grow crops that will contribute to Hawaii's clean energy future.

We are also concerned about the bill's near-term impact on consumers. Energy prices have risen significantly since the pandemic. The carbon tax would add to energy costs paid by consumers. The new tax would start at approximately 10 cents per gallon for gasoline in 2024, but would rise quickly to 55 cents per gallon in 2026.

While the measure proposes a carbon emission dividend to create some equity, the bill will fall particularly hard on Hawai'i residents who live in suburban or rural areas and must endure long commutes to and from work every day, or drive long distances for family activities like sports events. In essence, this dividend would be primarily subsidized by these heavy users of fossil fuels.

In summary, any carbon tax policy should also adopt a more comprehensive program that includes incentives for locally produced biofuels. This more well-rounded approach to shifting Hawaii's energy mix to more renewable fuels need to also recognize the global nature of the fuel market. Incentives should also be designed to ensure locally produced biofuels are competitive with other markets such as California. We believe this all-encompassing approach requires more thoughtful discussion and Par Hawaii would welcome the opportunity to participate in this important effort.

Thank you for allowing Par Hawaii the opportunity to present these comments for the Committee's consideration.

**SB-1060**

Submitted on: 2/13/2023 4:27:52 PM

Testimony for EET on 2/15/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ronald "Ron" Reilly	Individual	Support	In Person

Comments:

Feb 13, 2023

**Support for SB1060**

Dear Chairs Gabbard and DeCoite, Vice Chairs Richards and Wakai, and members of the Agriculture and Environment, and Energy, Economic Development and Tourism Committees,

Thank you for hearing SB1060.

I am in strong support of SB1060 because it will reduce carbon emissions, place a tax on companies that import fossil fuels into Hawai‘i, and benefit families through a refundable tax credit.

SB1060 is a progressive tax and will benefit low- and middle-income families the most, and be like getting an extra pay check every year.

In addition to the positive aspects mentioned in SECTION 1 of the bill, I would like to draw your attention to recent comments from the Intergovernmental Panel on Climate Change (IPCC) in its second installation of the Sixth Assessment Report: <https://www.ipcc.ch/report/ar6/wg2/>

“Of the various mitigation strategies to reduce fossil fuel CO2 emissions, carbon taxes are the most powerful and efficient, because they allow firms and households to find the lowest-cost ways of reducing energy use and shifting toward cleaner alternatives.”

“Pricing of greenhouse gases, including carbon, is a crucial tool in any cost-effective climate change mitigation strategy, as it provides a mechanism for linking climate action to economic development.”

Passage of this bill will send a strong message to Congress to pass national carbon pricing legislation that includes a cash dividend and a border adjustment. Thank you for your support of SB1060 and for ensuring that Hawaii plays its part to mitigate our global climate challenge.

Ron Reilly,  
Member of Citizens' Climate Lobby



Date: Feb. 13, 2023  
To: EET & AEN  
From: Dr. Paul Bernstein  
Re: **STRONG SUPPORT for SB1060** RELATING TO TAXATION  
Hearing: Feb. 15, 2023, 1:00PM

Aloha Chair DeCoite, Chair Gabbard, Vice-Chair Wakai, Vice-Chair Richards, and Members of the EET and AEN Committees:

Thank you for hearing SB1060. I'm writing in **strong support**. As a co-author of the carbon pricing studies submitted to the Hawaii State Energy Office (2021) and the Tax Review Commission (2022), I support the bill for the following reasons:

- 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) It is an "AND" policy when it comes to reducing emissions as it strengthens other environmental bills that have already passed out of various committees -- such as HB195 and HB654 -- because it makes using fossil fuels more expensive relative to clean energy. It also strengthens the existing RPS policy.
- 3) It is progressive. In general, it financially benefits low- and middle-income households. Benefiting the lowest income households the most with a gain of several hundred dollars a year. Again, the cashback provision in the bill distinguishes it from the typical regressive energy taxes, such as a gasoline tax.<sup>1</sup>
- 4) It addresses the environmental impacts of visitors and compensates residents. Visitors will pay the carbon tax just like the transient authority tax (TAT), and as a bonus, the carbon tax revenues will go to Hawaii residents.

Furthermore, this bill very consistent with last year's Resolution 44, which declared "a climate emergency and requesting statewide collaboration toward an immediate just transition and emergency mobilization effort to restore a safe climate." Reflecting the language of Resolution 44, SB1060 does the following:

- Commits to a just transition by being a progressive policy,
- Corrects the current system of subsidies for fossil fuels by beginning to assess a fee on fossil fuels part way toward the social cost of carbon; and
- Promotes EVs and clean energy.

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<sup>1</sup> Past testimony of some opponents has expressed concern about the impact of this bill on families with long commutes. For most, no, because except for the most extreme cases, the rebate would more than offset the impacts of higher gas prices. After a gradual ramp-up, the tax would peak and remain steady at \$70 per metric ton of carbon dioxide (equivalent). If fossil fuel companies passed through the full price of the carbon tax to the retail level, the price of gasoline would increase by about \$0.63 per gallon (all figures here are expressed in 2012 dollars). For a family that drives 30,000 miles per year (in Hawai'i, vehicles average about 9,000 miles/year) in gasoline vehicles that get 20 miles per gallon, that would mean paying \$945 more for gasoline each year. At the same time, the annual climate rebate for a family of four (married filing jointly with two minor dependents) would be \$1,440.

As a parent, I would like to leave for my children a better, more livable planet. I see carbon pricing with the returning of revenues to residents as the most efficient, effective, and equitable path forward for a cleaner Hawaii and planet while also protecting the most vulnerable among us.

Please pass either SB1004 or SB1060 out of your committees. The bills are nearly identical so we just need one of them to become law.

Mahalo nui loa,

Paul Bernstein

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)

**SB-1060**

Submitted on: 2/12/2023 1:16:12 PM

Testimony for EET on 2/15/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Douglas Hagan	Individual	Support	Remotely Via Zoom

Comments:

**Overwhelming support fo Carbon Cashback - SB 1060/DSB1004**

**Thank you Chair Decoite, Vice-Chair Wakai, members of the committee, and the many other legislators responsible for advancing this bill.**

**Families who can afford it benefit from electric vehicle \$8000 subsidies and similar solar photovoltaic state and federal subsidies. The folks who are missed in this is the lower and middle class folks who do not get to participate in the drive to renewables. Carbon Cashback is a good and equitable solution which everyone to participate. By definition, lower income folks spend less on energy - they have less to spend. Carbon Cashback benefits average lower and middle income families.**

**Carbon Cashback is revenue neutral. Carbon pricing has proven to reduce carbon emission. Carbon pricing is good for the economy. Carbon Cashback is social equity. Carbon Cashback is an incremental step towards of 10-14 percent carbon emission reductions. It's the equivalent of taking 400,000 gasoline fossil fuel powered vehicles off the road. A 2021 Yale University study shows the majority folks living in Hawaii understand the serious impacts of human caused global warming and support solutions.**

**A few degrees of change over the next few decades is real. A few degrees centigrade change is a big deal. Storms are becoming ferocious and flooding is rampant. We go in the ocean - it's warmer. The trade winds have shifted. I sail small boats. Wind and weather patterns have changed everywhere I travel. I see dead coral. There is silt and sludge and dryness where there used to be running fresh water. Climate change is here. This is an emergency.**

**Carbon Cashback is about carbon emissions reductions, driving toward renewables and divesting of fossil fuels and oil companies who recently reported a record 56 billion dollars in profits. The fossil fuel industry has known for decades that their product is responsible for climate change. Like tobacco companies, fossil fuel corporations engaged in a campaign of misinformation so that customers would continue to buy their products.**

**As a volunteer and amateur advocate, I sincerely thank the EET Committee for your support.**



**SB-1060**

Submitted on: 2/10/2023 6:20:36 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Susan Flatt	Individual	Support	Written Testimony Only

Comments:

I strongly support HB 1146 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i and do irreparable harm to our environment. The burning of fossil fuels emits greenhouse gasses that cause storms, floods, heat waves, wildfires, and droughts to be increasingly frequent and extreme. This problem has become so severe that, according to the World Health Organization, by 2030, climate change will cause at least 250,000 deaths each year, simply due to the increased health risks of higher temperature, a number that would no doubt grow significantly larger when accounting for the weather anomalies caused by climate change such as storms, floods, and wildfires. It is our responsibility to future generations to take steps to address this issue, through whatever means available to us.

The tax on carbon emissions proposed in HB 1146 is consistent with the goal that Hawai‘i has already set to be carbon negative by 2045. The only way to accomplish this goal is to make significant changes and reduce emissions in all facets of life. According to the University of Hawai‘i Economic Research Organization, carbon cashback policies such as the one in HB 1146 would lead to a 10% reduction in cumulative emissions from 2025 to 2045, bringing us one step closer to Hawai‘i’s goal for emissions. The policy in HB 1146 would not only incentivize reductions in emissions, but it would also benefit low-income and middle-income families, by using the tax revenues collected to fund a rebate that will be distributed to Hawai‘i residents in equal shares. The rebate is the same for everyone, regardless of income, which makes the bill progressive. In other words, most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels, and low-income families will experience a more substantial gain than high-income families because they use less fossil fuels. Finally, the bill is revenue neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai‘i must take a multi-pronged approach to do its part to reduce emissions, and this bill is an important step in the right direction.

**SB-1060**

Submitted on: 2/10/2023 7:07:57 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Douglas Perrine	Individual	Support	Written Testimony Only

Comments:

I support a carbon tax.

**SB-1060**

Submitted on: 2/11/2023 6:19:37 AM

Testimony for EET on 2/15/2023 1:00:00 PM

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

Comments:

Dear Members of the Committee on Agriculture and Environment (AEN) and the Committee on Energy, Economic Development and Tourism (EET),

Thank you for hearing **SB1060**.

I support **SB1060** because it will reduce carbon emissions, place a tax on companies that import fossil fuels into Hawai'i, and benefit families through a annual refundable tax credit.

**SB1060** is a progressive tax and will benefit low- and middle-income families the most, and be "like getting an extra pay check every year".

Thank you for your support,

Virginia Tincher

Aina Haina, Oahu

**SB-1060**

Submitted on: 2/11/2023 10:41:08 AM

Testimony for EET on 2/15/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jennifer Owen	Individual	Support	Written Testimony Only

Comments:

*Dear Members of the Committee on Agriculture and Environment (AEN) and the Committee on Energy, Economic Development and Tourism (EET),*

*Thank you for hearing **SB1060**.*

*I support **SB1060** because it will reduce carbon emissions, place a tax on companies that import fossil fuels into Hawai'i, and benefit families through a annual refundable tax credit.*

***SB1060** is a progressive tax and will benefit low- and middle-income families the most, and be "like getting an extra pay check every year".*

*Thank you for your support,*

*Jennifer Owen*

*1051 Kokomo Rd*

*Haiku, HI 96708*

**SB-1060**

Submitted on: 2/11/2023 12:06:44 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Barbara Best	Individual	Support	Written Testimony Only

Comments:

This is the most vital environmental bill, though it complements others. It's the only one to reduce emissions, to get us to our goals and provide cleaner air, water, land for all creatures. The cashback feature means it's not painful financially and taxpayers don't foot the bill. PLEASE PASS it.

**SB-1060**

Submitted on: 2/11/2023 1:15:15 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Steve Slater	Individual	Support	Written Testimony Only

Comments:

Aloha, I support SB1060, the Carbon Cashback bill. We need to reduce greenhouse gases by any possible method, and Cashback is the easiest way to do it. Not only will it in effect take 400,000 cars off the road each year in Hawaii, but it will eventually give a rebate of \$1000.00 annually to an average family of four in our state. We need to reduce our net carbon emissions in 2030 by 50%, and reach net-zero emissions by 2050. Carbon Cashback would be an important step in reaching that goal.

**SB-1060**

Submitted on: 2/11/2023 5:39:32 PM

Testimony for EET on 2/15/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ruta Jordans	Individual	Support	Written Testimony Only

Comments:

*I support SB1060 because it will reduce carbon emissions, place a tax on companies that import fossil fuels into Hawai‘i, and benefit families through a annual refundable tax credit.*

*SB 1060 is a progressive tax and will benefit low- and middle-income families the most, Please support it!*

**SB-1060**

Submitted on: 2/11/2023 6:25:08 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Susan Douglas	Individual	Support	Written Testimony Only

Comments:

I support SB1004 or SB1060 because it will reduce carbon emissions, place a tax on companies that import fossil fuels into Hawai'i, and benefit families through a annual refundable tax credit.

SB1004 or SB1060 is a progressive tax and will benefit low- and middle-income families the most, and be "like getting an extra pay check every year".

**SB-1060**

Submitted on: 2/11/2023 8:05:29 PM

Testimony for EET on 2/15/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kevin Hagan	Individual	Support	Written Testimony Only

Comments:

*Dear Members of the Committee on Agriculture and Environment (AEN) and the Committee on Energy, Economic Development and Tourism (EET),*

*Thank you for hearing **SB1060**.*

*I support **SB1060** because it will reduce carbon emissions, place a tax on companies that import fossil fuels into Hawai'i, and benefit families through a annual refundable tax credit.*

***SB1060** is a progressive tax and will benefit low- and middle-income families the most, and be "like getting an extra pay check every year".*

*Thank you for your support,*

*Kevin Hagan -- Paia, Maui*

**SB-1060**

Submitted on: 2/11/2023 8:50:34 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Chase Graham	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i and use the tax revenues to fund a rebate that will be distributed to Hawai‘i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai‘i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

**SB-1060**

Submitted on: 2/11/2023 11:25:05 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Melissa Barker	Individual	Support	Written Testimony Only

Comments:

Honorable Member,

I respectfully ask that you support SB 1060 which is a progressive tax that will benefit low and middle income families.

Thank you for your attention and consideration.

Melissa Barker

Kapaa, HI

**SB-1060**

Submitted on: 2/12/2023 7:27:48 AM

Testimony for EET on 2/15/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nanea Lo	Individual	Support	Written Testimony Only

Comments:

Hello Chair DeCoite, Chair Gabbard, and members of the EET and AEN committees:

My name is Nanea Lo. I'm born and raised in the Hawaiian Kingdom a Kanaka Maoli.

I **strongly support** this bill because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai'i and use the tax revenues to fund a rebate that will be distributed to Hawai'i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai'i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

me ke aloha 'āina,

Nanea Lo, Mō'ili'ili

**SB-1060**

Submitted on: 2/12/2023 8:54:24 AM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Sharon Geiken Westerberg	Individual	Support	Written Testimony Only

Comments:

I have been a resident on Kauai for the past 19 years and I support the Cash Back SB 1060

Dear Senate Committees on Agriculture and Environment, and Energy, Economic Development, and Tourism

This bill is so important to continue Kauai's progress towards reducing carbon emissions in order to stabilize the warming of our earth. I support the cashback bill because it is the most effective way and equitable way to fight our climate crisis by encouraging consuming less fossil fuel according to Climate scientist James Hansen.

.I have read that this method has been very effective such as in British Columbia and Sweden. Kauai is the leader of our nation and we can be proud.

In order to make this work the public needs to be convinced that this is a fair and trust worthy measure. This is a fare progressive program that will reward the low and middle income population by using less carbon fuel. It is important to issue well publicized paper check rather than a tax credit or bank account credit. As voters need to know that it benefits them. It would build trust if the public is informed on how much it will cost and how much will they get back..

Thank you for your consideration

Sharon Geiken Westerberg

SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT  
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM  
Hearing on Feb. 15, 2023 at 1:00 pm

SUPPORTING SB 1060

My name is John Kawamoto, and I support SB 1060, which is a Carbon Cashback bill, because it will reduce greenhouse gas emissions in an equitable manner. This bill will place a tax on companies that import fossil fuels into Hawaii, and the tax revenues will be used to fund a rebate that will be distributed to Hawaii residents in equal shares. Most Hawaii families will experience a net financial gain, particularly low-income families.

The carbon tax relies on economics to reduce the consumption of fossil fuels, and that will reduce greenhouse gas emissions that are warming the Earth and increasing the frequency and severity of climate disasters. The actions that have been taken until now to reduce emissions have been insufficient. The concentration of carbon dioxide in the atmosphere is steadily increasing, as shown by measurements taken at observatories on Mauna Kea and Mauna Loa over more than 60 years. Climate scientists say that drastic action must be taken within the next decade to keep the Earth livable.

Carbon Cashback mitigates climate change by reducing emissions in an equitable and progressive manner because the rebate is the same for everyone, regardless of income. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay as a result of the carbon tax. Low-income families will experience the largest net financial gain because they use less fossil fuel than higher income families.

The bill is revenue neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. The bill minimizes administrative costs because it relies on existing tax mechanisms. The Environmental Response, Energy, and Food Security Tax will be used to assess the carbon tax. The State's existing refundable tax credit mechanism will be used to distribute the rebate.

The carbon tax is working in more than 40 countries, and it can work in Hawaii. In fact, Carbon Cashback will work with all other efforts to reduce greenhouse gas emissions to maintain a livable environment for ourselves and our children. Future generations are depending on us.

**SB-1060**

Submitted on: 2/12/2023 12:14:33 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
John Otterson	Individual	Support	Written Testimony Only

Comments:

I strongly support SB 1060 / SB 1004 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i and use the tax revenues to fund a rebate that will be distributed to Hawai‘i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai‘i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

Talking Points (to help you write your own testimony—you can insert these bullets in your testimony or click on them—they are linked—to find and add more detail):

- Urgent effective action on climate change is needed to maintain the livability of our planet.
- Carbon cashback benefits low- and middle-income households.
- Carbon cashback delivers emission reductions consistent with Hawai‘i’s goals.
- Carbon cashback strengthens and complements other emission reductions programs.
- Carbon cashback is good for the economy.
- Carbon cashback is easy to implement because it uses existing administrative mechanisms.
- Carbon pricing is efficient—it would pay for itself and not grow the government (Carbon Cashback is revenue neutral).
- Carbon pricing has been successful elsewhere.
- Carbon cashback brings along visitors to be part of the solution.
- Carbon pricing is effective and has broad support.
- Carbon cashback implements a top recommendation of Hawai‘i’s 2020-2022 Tax Review Commission.

**SB-1060**

Submitted on: 2/12/2023 12:38:35 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Caroline Azelski	Individual	Support	Written Testimony Only

Comments:

Support. Thank you.

**SB-1060**

Submitted on: 2/12/2023 1:54:35 PM

Testimony for EET on 2/15/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Mary Lu Kelley	Individual	Support	Written Testimony Only

Comments:

*Dear Members of the Energy & Environmental Protection Committee,*

*Thank you for hearing SB1004/SB1060.*

*I support SB1004/SB1060 because it will reduce carbon emissions, place a tax on companies that import fossil fuels into Hawai'i, and benefit families through an annual refundable tax credit.*

*SB1004/SB1060 is a progressive tax and will benefit low- and middle-income families the most, and be "like getting an extra paycheck every year".*

*Thank you for your support,*

Mary Lu Kelley

Lawai, HI 96765

**SB-1060**

Submitted on: 2/12/2023 5:21:59 PM

Testimony for EET on 2/15/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Gerdine Markus	Individual	Support	Written Testimony Only

Comments:

*Dear Members of the Committee on Agriculture and Environment (AEN) and the Committee on Energy, Economic Development and Tourism (EET),*

*Thank you for hearing **SB1060**.*

*I support **SB1060** because it will reduce carbon emissions, place a tax on companies that import fossil fuels into Hawai'i, and benefit families through a annual refundable tax credit.*

***SB1060** is a progressive tax and will benefit low- and middle-income families the most, and be "like getting an extra pay check every year".*

*Thank you for your support, Gerdine Markus, Pahoa*

**SB-1060**

Submitted on: 2/12/2023 5:23:19 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Juliana Sebben	Individual	Support	Written Testimony Only

Comments:

Thank you for hearing SB1060.

I support SB1060 because it will reduce carbon emissions, place a tax on companies that import fossil fuels into Hawai'i, and benefit families through an annual refundable tax credit.

SB1060 is a progressive tax and will benefit low- and middle-income families the most, and be "like getting an extra paycheck every year".

Thank you for your support,

Juliana Sebben

Kapa'a, HI

**SB-1060**

Submitted on: 2/12/2023 7:48:24 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Will Caron	Individual	Support	Written Testimony Only

Comments:

Assessing a tax on producers and importers of fossil fuels has been successful in countries around the world in reducing the consumption of fossil fuels. The effect of the tax, which is commonly known as a carbon price or carbon tax, has been to reduce the emission of greenhouse gases, leading to a more sustainable environment and reducing local air pollution.

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. Because of the tax credit component, low-income households would receive more money back than they would end up spending to cover the cost of elevated energy prices, according to UHERO.

In Hawai‘i, a carbon tax would very likely have the effect of raising the selling prices of fossil fuels. Such an increase would move fossil fuel prices closer to their true unsubsidized prices as the fossil fuel industry receives both direct and indirect subsidies. Fossil fuel prices do not include the social cost of degradation of the environment that results from the burning of fossil fuels and the resulting damage to human health and welfare.

We must end our use of fossil fuels as quickly as possible, and this bill offers a good pathway to accomplish that goal. Please pass SB1060.

**SB-1060**

Submitted on: 2/13/2023 6:23:41 AM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Daniel Amato	Individual	Support	Written Testimony Only

Comments:

I support SB1060

**SB-1060**

Submitted on: 2/13/2023 10:05:50 AM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
John Latkiewicz	Individual	Support	Written Testimony Only

Comments:

Please support SB1060 and any other related legislation. The Carbon Cashback framewok put a price on those involved with producing co2 emissions as well as deflecting those costs to consumers by providing cash back to consumers baed on the pricing of carbon.

Again, please support SB1060

**SB-1060**

Submitted on: 2/13/2023 11:46:58 AM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Keith Neal	Individual	Support	Written Testimony Only

Comments:

**SB1060**

**Support**

Hawai‘i must pursue polices that are good for people and planet. SB1060 accomplishes these goals

Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. .

Respectfully submitted,

Keith Neal

Waimea

**SB-1060**

Submitted on: 2/13/2023 12:29:51 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Tamara Lum	Individual	Support	Written Testimony Only

Comments:

Aloha,

I am a high school student and I support this bill. The time for climate action is now. Thank you for this opportunity to testify.

**SB-1060**

Submitted on: 2/13/2023 12:37:03 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Audrey Lin	Individual	Support	Written Testimony Only

Comments:

Aloha,

My name is Audrey Lin, and I am a sophomore at `Iolani School, in Honolulu, Hawai`i. I write in strong support of SB1060.

As a high school student myself, I view climate change as the greatest threat to humanity today. The passage of SB1060 would tax fossil fuel corporations and compensate consumers, better enabling Hawai`i's transition to renewable energies. Research has proven that carbon cashback would result in a 10% reduction in climate emissions, in a revenue neutral manner.

In Hawai`i, the effects of climate change are omnipresent from increased sea levels to severe weather. We must act now to save our future. Without the passage of SB1060, the situation will only worsen.

Thank you for the opportunity to submit testimony for the bill.

Sincerely,

Audrey Lin

`Iolani School, Class of 2025



**SB-1060**

Submitted on: 2/13/2023 1:02:58 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Dana Keawe	Individual	Support	Written Testimony Only

Comments:

support

**SB-1060**

Submitted on: 2/13/2023 1:15:27 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Sophie Pager	Individual	Support	Written Testimony Only

Comments:

I am a high school student in Hawaii and I support this bill. The time for climate action is now, we need to start listening to science and making important changes. Thank you for this opportunity to testify.

Sophie

## **Position: Strongly Support**

Carbon pricing is the most effective measure to mitigate carbon emissions. It is widely implemented world wide amongst developed nations 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

**SB-1060**

Submitted on: 2/13/2023 1:53:39 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Robb Humphreys	Individual	Support	Written Testimony Only

Comments:

I strongly support SB 1060 / SB 1004 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai'i and use the tax revenues to fund a rebate that will be distributed to Hawai'i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai'i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

Please let's keep Hawaii on the forefront of positive global change.

Robb Humphreys

Haiku, HI

Hawaii House of Representatives Committee on EEP

Support for SB1004 and SB1060

February 16, 2023, 1:00 pm

Aloha to the members of the Energy, Economic Development, and Tourism Committee and the Agriculture and Environment Committee

I am testifying in support of SB1004 and SB1060 because either of these measures will efficiently reduce our carbon emissions. This makes good economic and social sense. This system of taxing carbon will be an administratively easy way to help meet our State's goals to help minimize global warming in a progressive way as almost all of the collected revenue will be returned to Hawaii residents in equal shares so as to benefit our residents, especially our low- and middle-income households. Because the system will take advantage of existing administrative mechanisms, it will pay for itself, using only a tiny part of the collected revenue.

National studies show that most families will receive a net income from carbon cashback. A few years ago the University of Hawaii Economic Organization completed a study that concluded that families in Hawaii's bottom income quintile will net an average of \$900 per year. The benefits are so obvious that the Hawaii 2020-2022 Tax Review Commission put it as its top recommendation.

Not only will carbon cashback quickly benefit our economy, but it will become an important tool to help us fight the war on greenhouse gasses so we can find a positive way to live into future against the battle with climate change.

Thank you for considering my testimony,

Charles E Cox

**SB-1060**

Submitted on: 2/13/2023 7:25:55 PM

Testimony for EET on 2/15/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Logan Lee	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs Gabbard and DeCoite, Vice Chairs Richards and Wakai, and members of the Agriculture and Environment and Energy, Economic Development, and Tourism Committee:

Thank you for taking the time to consider this bill today. My name is Logan and I am a high school student from the island of Oahu. **I strongly support** SB1060 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i and use the tax revenues to fund a rebate that will be distributed to Hawai‘i residents in equal shares. Bills addressing climate change have always caught my attention; however, this bill is especially important to me because of its goal: reducing greenhouse gas emissions. Carbon emissions are the root of the problem affecting everyone on the globe today. In Hawaii, these effects are especially present— in our weather, in our oceans, all throughout our daily lives. Though I have only lived here for the 15 years of my life so far, some of which I cannot even remember, I notice the changes around our island. My life and culture are tied to this state and especially the uniqueness of our islands.

Unlike some places on the Mainland, our islands are not yet spoiled with pollution and effects of human choices. Many of our beaches, mountains, and nature still stand pristine and preserved. Not only does our state depend on these places for our economy, but they are a large part of our identities as Hawaiian citizens. We stand proudly beside our land and say, *“This is our āina and we have taken care of it.”* However, our use of fossil fuels has directly contradicted this effort. Every day longer we wait to implement legislation to prevent more greenhouse gases entering our atmosphere is another push we will need to make in the future and another puff of carbon emissions we cannot take back. Cutting the problem at the bud right now can help mitigate the effects in the future. Perhaps our future is already bleak, but passing this bill will brighten it. Please be the sun in the clouds that the citizens of Hawaii and the world need you to be.

**SB-1060**

Submitted on: 2/13/2023 7:46:44 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Lei Crowley	Individual	Support	Written Testimony Only

Comments:

My name is Lei, and I am a high school sophomore. I am testifying in support of this bill because I desperately need to see action from my local government that will lead to substantial progress toward a more sustainable economy and society. The immediate threat that the climate crisis poses is by no means a new concept, and carbon cash back is an economist proven tactic to exponentially reduce the island's carbon emissions. All I ask, as a young girl who has yet to gain the right to vote, but who has the ability to speak up for her beliefs, is that when considering this bill, take into account how little time our generation has left to fight for our future, and how your decision, whether selfish, or righteous, corrupt, or wise, will impact my children and your grandchildren and this beautiful world they may never get the joy of knowing.

Testimony Presented Before the Senate Committee on Agriculture and Environment  
and Senate Committee on Energy, Economic Development, and Tourism

SB 1060

February 15, 2023

From Sumner La Croix, Emeritus Professor, UH-Manoa Economics, and Senior  
Research Fellow, UHERO

Dear Chairs Gabbard, DeCoite, and Wakai and Members of the Committees:

I strongly support SB 1004 and SB1060, Relating to Taxation.

SB 1004 and SB1060 propose to enact a carbon tax for Hawai'i and return collected revenues to Hawai'i's households. The rate of the carbon tax is akin to the federal "social cost of carbon" and mirrors what was studied by the University of Hawai'i Economic Research Organization (UHERO) and Institute for Sustainability and Resilience (ISR) in terms of its economic and greenhouse gas emissions impacts. The UHERO study, "Carbon Pricing Assessment for Hawai'i: Economic and Greenhouse Gas Impacts," finds that carbon taxation is an efficient and effective means of reducing Hawai'i's greenhouse gas emissions to help meet statewide decarbonization targets and lessen the impacts of climate change globally. The study also finds that returning collected revenues to households is an important component of supporting people through the transition to a lower greenhouse gas economy. It finds that giving back revenues to households in equal share payments is a progressive policy, meaning that it relatively supports lower- income households. I am one of the coauthors of the UHERO report and am convinced that this bill offers a clear formula for establishing a carbon tax in Hawai'i.

I have three suggested amendments. The first is in regards to limiting the potential public finance impacts of introducing a new tax (and revenue) into Hawai'i's economy. I recommend moving away from a rigid payment schedule but rather use a formulaic approach (which we presume is embedded in the presented schedule of payments) that would distribute revenues from the prior collection year (less administrative costs) to households. This approach would enable a match-up of revenue collection and distribution over time – and therefore the approach can be extended past 2036.

The second suggested amendment is for section (f), in regards to the tax as imposed related to the gas utility. I suggest that the fuel adjustment charge be overseen via the public process within the public utilities commission. Economic logic suggests that cost burden be shared by producers and consumers depending on available substitutes. There is no economic logic for preemptively accepting a pure price pass-through.

The third suggested amendment is to add the development of a mechanism for low-income households to receive payments with more frequency. Our follow-on study for the State Tax Review Commission recommends this be done at least quarterly.

Links to study resources are provided below.

Full Carbon Pricing Study: [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)

Complementary peer-reviewed open access article published in the journal *Climate Policy*: <https://uhero.hawaii.edu/wp-content/uploads/2022/04/Coffman-La-Croix-et-al.-Impact-Carbon-Tax-Hawai-Emissions-and-Economy-CLIMATE-POLICY-2022.pdf>

Follow-on Study for the Tax Review Commission:  
[https://files.hawaii.gov/tax/stats/trc/docs2022/Appendix\\_A.pdf](https://files.hawaii.gov/tax/stats/trc/docs2022/Appendix_A.pdf)

**SB-1060**

Submitted on: 2/13/2023 8:24:00 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Conner Higashino	Individual	Support	Written Testimony Only

Comments:

I support SB1060 as it's a progressive tax that will benefit low and middle-income families through an annual tax credit. At the same time, fossil fuel reliant companies would be incentivised to reduce emissions through the tax.

**SB-1060**

Submitted on: 2/13/2023 8:47:44 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Roberta Baker	Individual	Support	Written Testimony Only

Comments:

Feb 13, 2023

Support for SB1060

Dear Chairs Gabbard and DeCoite, Vice Chairs Richards and Wakai, and members of the Agriculture and Environment, and Energy, Economic Development and Tourism Committees,

Thank you for hearing SB1060.

I strongly support SB1060 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai'i and use the tax revenues to fund a tax rebate that will be distributed to Hawai'i residents in equal shares.

The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally.

The rebate is the same for everyone, regardless of income, which makes the bill progressive. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs.

Hawai'i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

Respectfully submitted, Roberta Baker, Hilo

**SB-1060**

Submitted on: 2/14/2023 5:25:03 AM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Larry Kane	Individual	Support	Written Testimony Only

Comments:

**Before the Joint Hearing of the Senate Committee on Agriculture and Environment and the Senate Committee on Energy, Economic Development, and Tourism**

**February 15, 2023**

**Testimony on SB 1004 and SB 1060**

**To: Chairwoman Lynn DeCoite and Members of the EET Committee and**

**Chairman Mike Gabbard and Members of the AEN Committee**

Thank you for the opportunity to testify in support of SB 1004 and SB 1060. To clarify, my testimony applies to both bills, which are very similar in substantive content.

By now, no one can credibly deny that climate change presents a worldwide problem of the first order. Global temperatures have been steadily rising since the mid-20th Century, leading to a plethora of worsening climate impacts, including severe storms, torrential rains, and flooding in some areas, while elevated temperatures, extended droughts and concomitant wildfires afflict many other parts of the world, including such disparate areas as the American Southwest and Siberia’s boreal forests. Melting polar ice and glaciers are already measurably contributing to sea level rise which will continue to worsen. We may be past the point of no return at which the melting of Greenland’s ice cover and most mountain glaciers of the world can be arrested. Moreover, the science is conclusive on the primary causation of these climate impacts: emissions of carbon dioxide and other greenhouse gases resulting from combustion of coal, petroleum and other fossil fuels that have steadily and dramatically increased since the 1950s, closely tracking the increasing global temperatures.

So, the question remains – what do we do about it? How can we mitigate the climate disruption already underway? Unfortunately, as a nation we have tended to ignore this issue for much too long. Thus, we must become energized to get to work employing all available tools NOW.

The federal government is at long last starting to shrug off the debilitating effect of lobbying by major fossil fuel companies to delay action on climate change. With the passage of the 2021 Bipartisan Infrastructure legislation and the Inflation Reduction Act of 2022, hundreds of billions of dollars are being made available to subsidize many measures that will help reduce carbon

emissions, including modernization and expansion of the national electric transmission grid, development of renewable energy sources, including solar and wind farms, green and blue hydrogen, battery storage, production of electric vehicles (EVs), installation of a base network of EV charging stations, and more.

While these national legislative actions are a good start, they are not nearly enough to bring about the rapid transition from a fossil fuel energy economy to one dominated by clean, renewable energy sources that is needed to reduce U.S. greenhouse gas emissions at a scale and timeline that will allow the world to stay close to the goals set in the 2015 Paris Agreement. These new legislative enactments consist almost entirely of financial incentives to take actions that are conducive to reductions in carbon emissions. They are positive inducements to change.

But, given the urgency of our situation, we also need to create negative inducements or disincentives regarding the use of fossil fuels. This is a more direct line of attack, if you will, on the problem of persistent utilization of fossil fuels and the attendant carbon emissions that result.

As SECTION 1 of both SB 1004 and SB 1060 recounts, the establishment of a carbon tax on fossil fuel emissions is, according to an impressive consensus of expert economists, the most effective governmental policy measure available to disincentivize the continued use of fossil fuels for energy production. Fortunately, the Hawai‘i State Legislature now has the benefit of the study entitled “Carbon Pricing Assessment for Hawai‘i: Economic and Greenhouse Gas Impacts” that was conducted by the University of Hawai‘i Economic Research Organization (UHERO). The UHERO study assessed two key policy questions associated with a carbon tax: what level of carbon tax should be applied and how should the revenue best be utilized?

First, it should be clarified that a carbon tax is directed at the amount of greenhouse gases – including, principally, carbon dioxide, methane, and nitrous oxide – that result from combustion of a particular fossil fuel. After analyzing the relative effects of a “low tax scenario” and a “high tax scenario,” the UHERO study concluded that both tax levels would be effective in reducing consumption of fossil fuels. Proposed tax rates for the various fossil fuels listed in SB 1004 and SB 1060 are based on the low tax scenario examined by UHERO with minor revisions. Another point of clarification is that the carbon tax rates set in the proposed bill for petroleum products are incorporated into Hawai‘i’s longstanding barrel tax on such products to simplify its application.

Second, with respect to use of the tax revenue from the proposed carbon tax, the UHERO study concluded that distributing most of the tax revenue to the citizens of Hawai‘i would provide a net financial benefit to most households, with low-income households receiving the largest benefit as a percentage of their pretax income. In other words, the dividends paid to Hawai‘i citizens from carbon tax revenue under proposed SB 1004 and SB 1060 would, for most households, exceed the higher costs of household purchases that result from the carbon tax. Stated another way, the proposed carbon tax is progressive in nature. This conclusion alleviates the concerns expressed by some in previous years that a carbon tax might constitute a burden on low-income households. Both bills adopt the recommendation of the UHERO study by proposing distribution of most of the carbon tax revenue to Hawai‘i’s households as dividends in the form of refundable tax credits on personal income taxation. This means that Hawai‘i’s citizens would receive the

full amount of the specified dividend even if that amount exceeds the income tax liability of a taxpayer.

As proposed under both bills, the carbon tax for each fossil fuel would be first applied in January 2024 and then would gradually increase each year through 2035. The 2035 tax level would remain applicable for subsequent years. As a side note, if the proposed carbon tax for any of the fuels listed in these two bills were restated in terms of dollars per metric ton of carbon dioxide equivalent emissions (which is a typical way of stating a carbon tax), the proposed tax for 2026 for any of the fuels would be \$50 per metric ton of emissions. This tax rate, as mentioned in SECTION 1, is at the low end of a range of carbon tax rates identified by the World Bank as essential for achieving the goals of the Paris Agreement.

To reiterate, I strongly urge approval of either SB 1004 or SB 1060 by your two respective Committees.

Since Hawai'i is one of the states most vulnerable to sea level rise – a serious consequence of climate change, it seems reasonable that Hawai'i should strongly consider being the first state to adopt a carbon tax on fossil fuel emissions arising from its borders. While Hawai'i is only one of 50 states, its carbon emissions still are a contributing factor to overall global greenhouse gas emissions. Since our federal government has not yet established a carbon tax, it is left to one of the states to take the first step to initiate a carbon tax. One can hope that if one state does so, others will follow, and eventually, the federal government will feel warranted in establishing a national carbon tax.

Adoption of the carbon tax and dividend provisions of either SB 1004 or SB 1060 would be, I firmly believe, a responsible and efficacious action to address the climate crisis and it would come at no cost to the great majority of Hawai'i's citizens, whose most vulnerable, at the lowest end of the economic spectrum, would benefit financially. Moreover, all of Hawai'i's citizens will benefit from the long-term effects on the climate and, concurrently, from reduced air pollution as fossil fuel combustion diminishes.

Finally, a brief word or two on my interest in this bill. I am deeply committed to advocating for effective action to mitigate climate change. I am a retired environmental attorney, having practiced in this area of law for 44 years in Indiana when I retired in late 2019. I have dedicated my retirement to working to support governmental and private sector action that will be effectual in the eventual elimination of carbon emissions – particularly from fossil fuel emissions. There are many reasons for this but foremost is that my children's and grandchildren's futures are at risk due to global warming and its various adverse impacts. My interest in Hawaii stems from my employment by the Hawai'i State Senate as a legislative attorney during the 2020 session. During that employment, I developed a love and respect for the people and beautiful lands of Hawai'i.

Respectfully submitted,

Larry J. Kane

11268 Williams Court

Carmel, IN 46033

[lkane1250@gmail.com](mailto:lkane1250@gmail.com)

317-590-3517

**SB-1060**

Submitted on: 2/14/2023 6:45:30 AM

Testimony for EET on 2/15/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jean Keating	Individual	Support	Written Testimony Only

Comments:

*I support **SB1060** because it will reduce carbon emissions, place a tax on companies that import fossil fuels into Hawai'i, and benefit families through a annual refundable tax credit.*

*Thank You for hearing this bill. Let's have Hawaii set an example and lead the way for the 49 states to follow.*

**SB-1060**

Submitted on: 2/14/2023 7:05:03 AM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Adrian Buechner	Individual	Support	Written Testimony Only

Comments:

*Dear Members of the Energy & Environmental Protection Committee,*

*Thank you for hearing SB1060.*

*I support SB1060 because it will reduce carbon emissions, place a tax on companies that import fossil fuels into Hawai‘i, and benefit families through a annual refundable tax credit.*

*SB1060 is a progressive tax and will benefit low- and middle-income families the most, and be "like getting an extra pay check every year".*

*Thank you for your support.*

Adrian Buechner

Paia

**SB-1060**

Submitted on: 2/14/2023 9:14:24 AM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Makena Coffman	Individual	Support	Written Testimony Only

Comments:

I strongly support S.B. No. 1060, Relating to Taxation. I have three suggested amendments.

The Bill proposes to enact a carbon tax for Hawai‘i and return collected revenues to Hawai‘i’s households. The rate of the carbon tax is akin to the federal “social cost of carbon” and mirrors what was studied by the University of Hawai‘i Economic Research Organization (UHERO) and Institute for Sustainability and Resilience (ISR) in terms of its economic and greenhouse gas emissions impacts. I am the study’s principal investigator and a co-author.

In the study, “Carbon Pricing Assessment for Hawai‘i: Economic and Greenhouse Gas Impacts,” my collaborators and I find that carbon taxation is an efficient and effective means of reducing Hawai‘i’s greenhouse gas emissions to help meet statewide decarbonization targets and lessen the impacts of climate change globally. We find that returning collected revenues to households is an important component to supporting people through the transition to a lower greenhouse gas economy, and that giving back revenues to households in equal share payments is progressive in its incidence – meaning that the approach relatively supports lower income people/households.

I have three suggested amendments. The first is in regards to limiting the potential public finance impacts of introducing a new tax (and revenue) into Hawai‘i’s economy. I recommend moving away from a rigid payment schedule but rather using a formulaic approach (which I presume is embedded in the presented schedule of payments) that would distribute revenues from the prior collection year (less administrative costs) to households. This approach would enable a match-up of revenue collection and distribution over time – and therefore the approach can be extended past 2036.

My second suggested amendment is for section (f), in regards to the tax as imposed related to the gas utility. I suggest that the fuel adjustment charge be overseen via the public process within the Public Utilities Commission. Economic logic suggests that cost burden be shared by producers and consumers depending on available substitutes. There is no logic for the starting point to preemptively be a pure price pass-through.

My third suggested amendment is to add the development of a mechanism for low-income households to receive payments with more frequency. In our follow-on study for the State Tax Review Commission, my co-authors and I recommend this be done at least quarterly. Publicly available links to study resources are provided below.

Full Carbon Pricing Study: [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)

Complementary peer-reviewed open access article published in the journal *Climate Policy*:  
<https://uhero.hawaii.edu/wp-content/uploads/2022/04/Coffman-La-Croix-et-al.-Impact-Carbon-Tax-Hawai-Emissions-and-Economy-CLIMATE-POLICY-2022.pdf>

Follow-on Study for the Tax Review Commission:  
[https://files.hawaii.gov/tax/stats/trc/docs2022/Appendix\\_A.pdf](https://files.hawaii.gov/tax/stats/trc/docs2022/Appendix_A.pdf)

**SB-1060**

Submitted on: 2/14/2023 9:17:49 AM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Thomas Graham	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Gabbard, Chair DeCoite, and members of the AEN and EET committees,

I strongly support SB 1060. This bill is critically important to Hawaii’s future and I urge you to pass it.

The increase in the barrel tax will substantially reduce the use of fossil fuels in the State and go a long way toward meeting Hawaii’s goal of becoming carbon neutral by 2045.

With most of the tax revenues going back to households in equal shares, and visitors to Hawaii contributing to those revenues, most families in the State will actually come out ahead, particularly those with lower incomes.

The bill implements a top recommendation of Hawaii’s 2020-2022 Tax Review Commission: Enact a carbon tax that reflects the social cost of carbon, and return most of the proceeds to households.

Finally, this carbon cashback program does not conflict with or complicate other actions Hawaii can and should take to achieve its energy goals—it actually supports and complements them.

Thank you,

Thomas Graham, Honolulu

**SB-1060**

Submitted on: 2/14/2023 11:45:41 AM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Sarah Roper	Individual	Support	Written Testimony Only

Comments:

Dear Members of the Energy & Environmental Protection Committee,

Thank you for hearing SB1060.

I support SB1060 because it will reduce carbon emissions, place a tax on companies that import fossil fuels into Hawai'i, and benefit families through an annual refundable tax credit.

SB1060 is a progressive tax and will benefit low- and middle-income families.

Thank you for your support.

Sarah Roper, Honolulu, Hawai'i

## **Testimony of Robert Pearsall**

**Before the Senate Committees on Agriculture and Environment,  
and Energy, Economic Development, and Tourism**

**Wednesday, Feb. 15, 2023, at 1:00 PM in Conference Room 224 or via Zoom**

### **In Support of SB 1060 (Carbon Cashback Legislation)**

Chairs Gabbard and DeCoite, Vice Chairs Richards and Wakai, and AEN and EET Committee Members:

Thank you for this opportunity to express my support for carbon pricing and why such a cashback policy is a good fit for Hawai'i's ambitious climate and environmental goals. Urgent effective action on climate change is needed to maintain the livability of our planet. We don't need more fires, longer droughts, historic flooding, and continued sea level rise to remind us why comprehensive action is required.

I therefore strongly support SB 1060 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai'i and use the tax revenues to fund a rebate that will be distributed to all Hawai'i residents in equal shares.

The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate amount is the same for everyone, regardless of income, which makes the bill progressive. Carbon cashback benefits low- and middle-income households, particularly as fossil fuel prices remain high. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel.

Carbon pricing is efficient—it would pay for itself and not grow the government. The bill (as is SB 1004) is revenue neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai'i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so. There is broad support for carbon pricing policies, so this

would be a great opportunity for Hawai'i to demonstrate leadership in its commitment to reducing the state's reliance on fossil fuels. Therefore, I strongly support both SB 1060 and SB 1004, and I encourage passage of one of these two carbon pricing bills.

**SB-1060**

Submitted on: 2/11/2023 2:41:18 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Michael Golojuch Jr	Individual	Oppose	Remotely Via Zoom

Comments:

Aloha Senators,

We already pay the barrel tax and this new tax will just be passed along to the consumers, which in turn will negatively impact the poor & middle class the most.

So for these reasons I ask that you hold this bill in committee.

Mahalo,

Michael J. Golojuch, Jr.

**SB-1060**

Submitted on: 2/13/2023 11:48:07 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Cara Soto	Individual	Oppose	Written Testimony Only

Comments:

I oppose sb1060. This is a waste of tax dollars at our childrens expense.

**SB-1060**

Submitted on: 2/14/2023 9:47:39 AM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Mary Smart	Individual	Oppose	Written Testimony Only

Comments:

I am vehemently OPPOSED to this measure, SB1060. Calling petroleum products “fossil fuels” is a misnomer and was intentionally proliferated to give the impression that it is a very limited resource. For decades there have been [reports](#) that it is not. Oil, gas, and coal are a very clean source of energy and need to be continued without any increased tax burden placed on producers and importers. The current “renewable” energy sources are neither reliable or in great supply at reasonable cost. The environmental cost to build an electric car with a lithium battery is much greater (and costly) than a gasoline fueled vehicle.

This carbon tax will just tax our residents into poverty and needlessly complicates our tax codes. There is no positive outcome from adding taxes. Even if other countries and states foolishly implement a similar tax, Hawaii does not have to blindly implement the same type of program. I worked in the computer field and worked with computer models. You can get whatever results you want depending on how you design the model and what data you use. As the old saying goes “garbage in, garbage out”. The whole “carbon crisis” is a hoax based on faulty data (garbage). Not all models can be believed.

[Carbon dioxide](#) (CO2) is needed for plant life and humans need plants for food. It is not a hazardous material. Humans exhale CO2. Contrary to population reduction advocates, humans are our greatest resource. In 2014 LiveScience [reported](#) that there was 5 times the amount of CO2 that we generate today. The CO2 crisis is just another excuse to tax the population into poverty. Hawaii residents are already struggling because of the tyrannical COVID lockdowns, closure of tourism, of the greatest source of income, and the needless firing of staff that chose not to take an experimental “vaccine”. Do not increase our tax burden. There is already bloat and significant waste of our taxes. Instead, use our taxes for our real needs – not this false scenario.

The Secretary of the Treasury should not be signing commitments to the Group of 7 (G7) to meet net zero goals. She is not an elected official. One person should not be making decisions for an entire country.

As elected officials, Hawaii residents expect their Senators and Representatives to implement measures making our lives better, not degrade our standard of living as this bill would do.

Do not pass SB1060. Vote NO.

**SB-1060**

Submitted on: 2/14/2023 10:14:25 AM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Donna Thompson	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill, carbon dioxide is not the problem. It is our corrupt non government organizations such as the United Nations and the World Economic Forum that perpetuate bought and paid for junk science to gain control over the masses. Plants turn C02 into O2, that is basic level science that was hijacked. Electric vehicles are NOT sustainable for a variety of reasons. Why are all the global warming alarmists such as Al Gore and John Kerry buying beach front villas? Our representatives should be proposing bills that allows for a transition phase, moving from fossil fuels to innovations that are truely sustainable and stop surpressing technologies that can truely make a difference. Now is the time to stop the corruption.

<https://siriusdisclosure.com/suppressed-energy-technologies/>

**SB-1060**

Submitted on: 2/14/2023 11:50:06 AM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Michdelle Melendez	Individual	Oppose	Written Testimony Only

Comments:

Plz DO NOT vote this through. These taxes will not help and there is more proof that the climate change is not what mainstream media is telling us. Please stop this.

**SB-1060**

Submitted on: 2/10/2023 7:47:48 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Andrew Crossland	Individual	Oppose	Written Testimony Only

Comments:

I **strongly** oppose this Bill.

**SB-1060**

Submitted on: 2/13/2023 3:25:30 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Lisa Toriki	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill. This "tax" will be passed on to Hawaii residents and business which will negatively affect the cost of goods and services throughout the State. Residents of this State are already overtaxed. In addition, due to shipping costs and the current state of the US economy, our electric, food, goods and services are already outrageously high and this will raise these costs even higher. The "revenue" which this tax supposedly will raise is purportedly to be returned to residents via a "tax credit" . This "tax credit" is not dollar for dollar of revenue raised and does not adjust for the additional cost this will place on our goods, services, esp utilities, which will place an even heavier burden on the people of this State. If you sincerely want to move people off of "fossil fuel", then lower the price of solar systems and EV vehicles so that everyone can afford to purchase them. Otherwise, this just sounds like a State money grab.

**LATE**

**SB-1060**

Submitted on: 2/14/2023 4:51:19 PM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Nori Tarui	Individual	Support	Written Testimony Only

Comments:

I am testifying as an economist at UH (and UHERO), with an expertise in environmental economics and the economics of climate change in particular and with a record of publications at top academic journals on the topic. The State of Hawaii should pursue the way to reduce greenhouse gas emissions with the lowest cost possible to Hawaii's society. Carbon pricing is the best way for the State to reduce GHG emissions with the least cost. Some people may wonder if increased prices in energy-intensive goods and services, such as gasoline and electricity, would harm the low and medium income households disproportionately. The proposed carbon cashback bill actually address this issue to make sure that the policy to reduce GHG emissions will not hurt LMI households. Any other policy that aims at reducing GHG emissions---especially through subsidizing renewable energy---will end up being more costly than carbon pricing, and hence will place a larger cost burden on Hawaii's residents. I urge the Committee to seriously consider this bill, which would reduce GHG emissions efficiently AND equitably. Thank you.

**LATE**

TO: Members of the Committees on Agriculture and Environment and Energy, Economic Development and Tourism

FROM: Natalie Iwasa  
808-395-3233

HEARING: 1 p.m. Wednesday, February 15, 2023

SUBJECT: SB 1060, Fossil Fuels Tax and Carbon Emissions Tax Credit - **OPPOSE**

Aloha Chairs Gabbard and DeCoite and Committee Members,

Thank you for allowing the opportunity to provide testimony on SB 1060, which would impose and increase taxes on fossil fuels distributors, distribute those taxes into several special finds and create a carbon emissions tax credit.

Fossil fuel distributors aren't just going to suck up these taxes. They will pass it on to their customers.

For example, as noted in the bill: "In [~~which case~~] any case in which the tax is passed on, **the electric utility may recover the cost of the tax through an appropriate surcharge** to the end user that is approved by the public utilities company."

Higher costs will hit low to lower-middle income residents the hardest.

It will also make air travel more expensive and take government resources to implement and enforce.

**Please vote "no" on SB 1060.**

**SB-1060**

Submitted on: 2/15/2023 8:30:17 AM

Testimony for EET on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Stella Blue	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill. We don't need this! Please listen to the people you are suppose to represent!