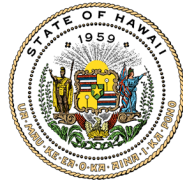


**JOSH GREEN, M.D.**  
Governor

**SYLVIA LUKE**  
Lt. Governor



State of Hawai'i  
**DEPARTMENT OF AGRICULTURE & BIOSECURITY**  
KA 'OIHANA MAHI'AI A KIA'I MEAOLA  
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Honolulu, Hawai'i 96814-2512  
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**SHARON HURD**  
Chairperson  
Board of Agriculture & Biosecurity

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

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

**BEFORE THE SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT**

**FEBRUARY 4, 2026**  
**3:00 PM**  
**CONFERENCE ROOM 224 & VIDEOCONFERENCE**

**SENATE BILL NO. 2332**  
**RELATING TO TAXATION**

Chair Gabbard, Vice Chair Richards, and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 2332 Relating to Taxation. This bill re-establishes the Agricultural Development and Food Security Special Fund and establishes the Carbon Emissions Tax and Dividend Special Fund. Increases the Environmental Response, Energy, Carbon Emissions, and Food Security tax rates over time and establishes a refundable carbon cashback tax credit to offset increases for most taxpayers. Requires reports to the legislature. The Department of Agriculture and Biosecurity (Department) supports the intent of the bill and defers to the Department of Taxation.

The loss of the agricultural development and food security special fund in 2021 weakened the ability of the Department to fully support agricultural development in the state. Monies from the fund were used to support new farmer development, marketing efforts, disaster relief and emergency irrigation systems repairs and agricultural/aquaculture research.

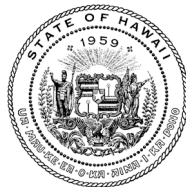
The vulnerability of the world's food supply and the state's geographic isolation provides strong motivation towards increasing food self-sufficiency. If agriculture is to increase in the state we will need to provide greater support for the industry, and the re-establishment of the Agricultural Development and Food Security Special Fund is a critical step in that direction.

Thank you for the opportunity to testify on this measure.



JOSH GREEN M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR



GARY S. SUGANUMA  
DIRECTOR

KRISTEN M.R. SAKAMOTO  
DEPUTY DIRECTOR

STATE OF HAWAII  
**DEPARTMENT OF TAXATION**

Ka 'Oihana 'Auhau  
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**TESTIMONY OF  
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

**TESTIMONY ON THE FOLLOWING MEASURE:**

S.B. No. 2332, Relating to Taxation

**BEFORE THE:**

Senate Committee on Agriculture and Environment

**DATE:** Wednesday, February 4, 2026

**TIME:** 3:00 p.m.

**LOCATION:** State Capitol, Conference Room 224

Chair Gabbard, Vice-Chair Richards, III, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding S.B. 2332 for your consideration.

**Agricultural Development and Food Security Special Fund**

Section 2 of S.B. 2332 reinstates the "Agricultural Development and Food Security Special Fund" under Chapter 141, Hawaii Revised Statutes (HRS). The Department of Agriculture and Biosecurity is to report to the legislature prior to each regular session on the status and progress of existing and new programs and activities financed by this fund. Contributions to the fund will include deposits from the "Environmental Response, Energy, Carbon Emissions, and Food Security" tax ("barrel tax") revenues provided for under section 243.3.5, HRS.

**Carbon Emissions Tax and Dividend Special Fund**

Section 3 of S.B. 2332 establishes the Carbon Emissions Tax and Dividend Special Fund, which will be funded by the fuel tax. The special fund, to be administered

by DOTAX, is intended to cover expenses for administration of the environmental response, energy, carbon emissions, and food security tax and the carbon cashback tax credit.

### **Carbon Emission Tax Credits**

Section 4 of the bill establishes a fixed dollar amount carbon cashback tax credit for taxable years beginning after December 31, 2025, based on set dollar amounts for filing status, as follows:

Single or married filing separately:	\$ 52
Head of Household:	\$ 52
Married filing jointly, or surviving spouse:	\$104
Each qualifying dependent claimed:	\$ 26

For taxable years beginning after December 31, 2026, the tax credit amounts will be based on “shares,” where the value of a share is calculated as follows:

$$\frac{\text{Total revenue collected and deposited in the general fund from the barrel tax for the taxable year}}{(\text{divided by}) \quad 1,440,000 \text{ whole shares}}$$

Credit of Shares based on filing status will be:

Single or married filing separately:	One share
Head of Household:	One share
Married filing jointly, or surviving spouse:	Two shares
Each qualifying dependent claimed:	One-half share

A taxpayer with no income tax liability may file a claim for a refund. Failure to file an original or amended return on or before the end of the twelfth month following the close of the taxable year for which the credit is allowed will result in a waiver of the right to claim the credit. Any credit not issued when the return filing deadline has passed will be allocated to the Department of Human Services (DHS) for its Med-QUEST division. DOTAX is to determine this allocation based on the following calculation:

$$(\text{Number of whole shares} \times \text{value of one share}) - \text{Total carbon tax credits issued}$$

(\*or a substantively similar calculation)

For purposes of administering the credit, DOTAX may revise forms to allow issuance of the credit that does not require taxpayers to proactively submit a claim, alert taxpayers of the credit, and adopt necessary rules. Also, a “qualifying taxpayer” does

not include any person claimed or otherwise eligible to be claimed as a dependent for either federal or Hawaii income tax.

### **Barrel Tax on Carbon Emissions**

Under Section 7 of the bill, section 243-3.5(a), HRS, which imposes the current \$1.05 tax rate per barrel or fractional part of a barrel, is amended to include “carbon emissions” within the barrel tax, and impose new barrel tax rates on petroleum product distributors for 2026 to 2035, with a provision for increases thereafter, as follows:

\$ 5.25 for 2026;	\$26.25 for 2031;
\$ 9.45 for 2027;	\$30.45 for 2032;
\$13.65 for 2028;	\$34.65 for 2033;
\$17.85 for 2029;	\$38.95 for 2034;
\$22.05 for 2030;	\$43.05 for 2035;

For each taxable year after 2035, these tax rates will be increased by \$1.00 for each barrel or fractional part of a barrel. The cumulative increased tax rate is effective beginning on January 1 of each calendar year.

Section 243-3.5(b) is amended to prioritize the fiscal year distributions from the new tax amounts collected, adding four new expenditures in the six through nine positions, as follows:

- (6) 15 cents of the tax on each barrel into the reinstated “Agricultural Development and Food Security Special Fund;”
- (7) \$1,000,000 into the new “Carbon Emissions Tax and Dividend Special Fund;”
- (8) All tax collected on aviation fuel into the “Airport Revenue Fund” established under section 248-8, HRS; and
- (9) \$1.05 for each barrel of liquid fuel sold for, or used, for “small boats” into the “Boating Special Fund” established under section 248-8, HRS (determined in accordance with the methods and definitions under that section).

Any excess revenues will be deposited into the general fund.

### **Barrel Tax on Fossil Fuels**

Section 243-3.5(c), which imposes the current 19 cents tax rate on each one million British thermal units of fossil fuel, is amended so that in addition to the tax increases under subsection (a), the barrel tax will also be imposed with new rates on each one million British thermal units of fossil fuel sold by a distributor to any retail dealer or

end user of fossil fuel, other than a refiner, as follows:

\$0.79 for 2026;	\$3.79 for 2031;
\$1.39 for 2027;	\$4.39 for 2032;
\$1.99 for 2028;	\$4.99 for 2033;
\$2.59 for 2029;	\$5.59 for 2034;
\$3.19 for 2030;	\$6.09 for 2035;

For each taxable year after 2035, these tax rates will be increased by 15 cents on each one million British thermal units of fossil fuel. The cumulative increased tax rate is effective beginning on January 1 of each calendar year.

Section 243-3.5(c) is amended to prioritize the fiscal year distributions from the new tax amounts collected, adding one new expenditure in the fourth position, as follows:

- (4) 14.3 per cent of the tax on each one million British thermal units will be deposited into the reinstated Agricultural Development and Food Security Special Fund.

Any excess revenues will be deposited into the general fund.

Coal used to fulfill an existing power purchase agreement in place as of June 30, 2015, between an independent power producer and electric utility is exempt from the tax imposed under section 243-3.5(c), but extensions and subsequent agreements are not exempt.

### **Appropriations, Reporting & Effective Dates**

To administer the new carbon cashback tax credit program for fiscal year 2026 to 2027, an appropriation is made under Section 9 of the bill for \$1,000,000 from the general fund. Section 10 of the bill requires DOTAX to submit to the legislature a minimum of 40 days before the session start:

- of the regular session of 2027, an interim report regarding preparation status of the program; and
- before the start of each yearly regular session for 2028 through 2036 subsequent annual reports with specified information.

The measure will take effect on July 1, 2026, provided that the initial carbon cashback tax credits authorized under Section 4 of the bill apply for taxable years beginning after December 31, 2025, and the barrel tax increases under Section 7 of the

bill apply for taxable years beginning after December 31, 2026.

### **DOTAX Comments**

DOTAX notes that this is a relatively complex bill that will significantly alter existing credit calculations and revenue allocations, requiring substantial reconfiguring of work processes. Further, calculating the credit amounts based on deposits to the general fund in a given taxable year will be difficult to administer. The carbon tax is reported on the monthly fuel tax returns. If the credit is based on the same taxable year revenues, DOTAX will not have the ability to calculate the new yearly share credits until after the following year close of filing season. As such, DOTAX would not know the amount of carbon tax that will be taken in for the year, and therefore would not be able to determine the credit share amount.

Further, forms for the taxable year are prepared, amended, and finalized months before the end of the taxable year. This is prior to knowing what the carbon tax collected for the taxable year will be in order to make the required calculations.

Additionally, calculating and allocating unclaimed credits for transfer to the DHS Med-QUEST division will be administratively burdensome and difficult. The amounts needed to perform the calculation will not be available until after the close of the tax filing season, and this will require a substantial change in the way credits are issued and tracked.

DOTAX also notes that a “qualifying taxpayer” is broadly defined to include “any individual who is subject to taxes under this chapter.” This may include both part-year residents and non-residents. DOTAX recommends making the credit nonrefundable or adding a provision requiring that the credit amount for part-year residents and nonresidents be multiplied by the ratio of Hawaii adjusted gross income to federal adjusted gross income.

Also, the credit is allowable per dependent, but this term is not defined. DOTAX recommends amending the bill to include a definition of dependent for clarity and to prevent the potential for waste, fraud, or abuse.

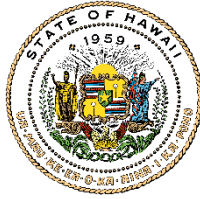
Finally, based on the overall complexity of the bill and preparations that will be necessary to enact and administer it, DOTAX requests that Section 4 of the bill apply to

taxable years beginning after December 31, 2027, section 7 be effective on January 1, 2027, and the first report to the Legislature in section 10 of the bill be extended accordingly.

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

JOSH GREEN, M.D.  
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
KA 'OIHANA KUMUWAIWAI 'ĀINA

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DAWN N.S. CHANG  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE  
MANAGEMENT

RYAN K.P. KANAKA'OLE  
FIRST DEPUTY

CIARA W.K. KAHANE  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE  
MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES  
ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

Testimony of  
RYAN K.P. KANAKA'OLE  
Acting Chairperson

Before the Senate Committee on  
AGRICULTURE AND ENVIRONMENT

Wednesday, February 4, 2026  
3:00 PM  
State Capitol, Conference Room 224

In consideration of  
SENATE BILL 2332  
RELATING TO TAXATION

Senate Bill 2332 reestablishes the Agricultural Development and Food Security Special Fund, creates the Carbon Emissions Tax and Dividend Special Fund, gradually raises the tax rates for Environmental Response, Energy, Carbon Emissions, and Food Security, and introduces a refundable carbon cashback tax credit to offset increases for most taxpayers. The bill mandates reports to the Legislature and allocates funds. **The Department of Land and Natural Resources (Department) supports this measure if it does not replace or negatively impact priorities outlined in the Executive Supplemental Budget request.**

The Department supports efforts to enhance biosecurity and other functions of the Agricultural Development and Food Security Special Fund. It also requests that the Committee consider a proportionate allocation to two funds at the Division of Forestry that will greatly boost climate mitigation through natural climate solutions: the Natural Area Reserve Fund (Section 195-9, Hawai'i Revised Statutes) and the Forest Stewardship Special Fund (Section 195F-4, Hawai'i Revised Statutes). Both special funds promote forest protection.

Forest protection both reduces greenhouse gas emissions and helps Hawai'i adapt to climate change challenges. It is the top-ranked carbon removal and sequestration action in a Hawai'i Greenhouse Gas Sequestration Task Force study, which analyzed twenty-one natural and

agricultural land use strategies.<sup>1</sup> Protecting and expanding forest cover mitigates a wide range of threats from climate change, such as hotter and drier conditions and rising sea levels that threaten freshwater systems. Healthy forests will be even more vital for collecting fog drip as overall rainfall decreases. They will also be crucial for securing soil and protecting nearshore reefs as storms become more intense and cause erosion. During increased severe storm events, forests play a significant role in reducing flooding, preventing landslides, and holding soil in place to prevent it from washing into waterways and coastal areas.

A healthy watershed directly influences Hawai'i's ability to lessen its dependence on oil imports. Local agriculture relies on forested watersheds for fresh water. Hawai'i's significant early 1900s investments in forest protection were mainly driven by agricultural interests advocating for more fencing and tree planting to safeguard our water sources. Continuing to find new water sources remains essential for agriculture and the community at large, especially as rising temperatures from climate change may increase irrigation demands.

The Hawai'i Greenhouse Gas Emissions Reduction Task Force Work Plan<sup>2</sup> strongly recommends opportunities for reforestation projects. The destruction of native forests is driven by a lack of active management, including hooved animals that reduce or eliminate stored carbon through uncontrolled grazing and browsing, and by diseases such as Rapid 'Ōhi'a Death, which alter and destroy forests. When invasive plants, such as strawberry guava, invade and eventually replace native forests, aboveground biomass can decrease by 19 to 38 percent.<sup>3</sup> As a result, significant carbon emissions have already occurred and are ongoing due to forest degradation in Hawai'i. Therefore, reducing and preventing forest degradation and supporting reforestation are the mitigation options with the greatest and most immediate impact on carbon stocks in the short term, according to the Intergovernmental Panel on Climate Change.

The Natural Area Reserve Fund supports the Division of Forestry and Wildlife's efforts to protect forests in Natural Area Reserves, and the Forest Stewardship Special Fund funds reforestation and forest management activities on about 90 percent of the State's forest lands. This includes the Forest Reserve System, which is 700,000 acres and, according to the 2015 U.S. Forest Inventory of Hawai'i's Forest Resources, accounts for roughly 50 percent of Hawai'i's total forest land. The Forest Stewardship Fund also provides funding for private forestlands, which make up 66 percent of Hawai'i's forest land. Working with partners, these two funds are used to protect and restore forests at a landscape scale necessary for meaningful climate resilience. Increasing resources for these programs through tax beneficiaries underscores the direct connection between forests and climate change and supports the bill's food security goals.

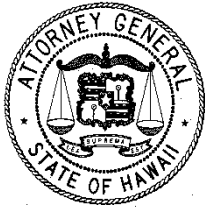
Mahalo for the opportunity to comment on this measure.

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<sup>1</sup> Gross, A., R. Ray, E. Gaskin. 2020. Reversing Climate Change: A study of pathways through Hawai'i's natural & working lands. Report produced by Conservation International for the State of Hawai'i Office of Planning on behalf of the Hawai'i Greenhouse Gas Sequestration Task Force. [Conservation-International-FINAL-Report\\_GHG-4.30.2020.pdf \(hawaii.gov\)](#).

<sup>2</sup> 2009 Work Plan for Greenhouse Gas Emissions Reductions: Report to the 25<sup>th</sup> Legislature, State of Hawaii.

<sup>3</sup> Asner, G. P., R. F. Hughes, T. A. Varga, D. E. Knapp, T. Kennedy-Bowdoin. 2008. Environmental and Biotic Controls over Aboveground Biomass Throughout a Tropical Rain Forest. *Ecosystems*. DOI 10.1007/S10021-008-9221-5.



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-THIRD LEGISLATURE, 2026**

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**ON THE FOLLOWING MEASURE:**  
S.B. NO. 2332, RELATING TO TAXATION.

**BEFORE THE:**  
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

**DATE:** Wednesday, February 4, 2026      **TIME:** 3:00 p.m.

**LOCATION:** State Capitol, Room 224

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or  
Travis T. Moon or Christopher J.I. Leong, Deputy Attorneys  
General

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Chair Gabbard and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill establishes the Agricultural Development and Food Security Special Fund, which will be funded, in part, by a portion of the Environmental Response, Energy, Carbon Emissions, and Food Security Tax. The bill also establishes the Carbon Emissions Tax and Dividend Special Fund, amends the Environmental Response, Energy, and Food Security Tax, and creates a carbon cashback tax credit.

Pursuant to section 37-52.3, Hawaii Revised Statutes, when establishing a special fund, the Legislature must ensure that the special fund:

- (1) Serves a need, as demonstrated by:
  - (A) The purpose of the program to be supported by the fund;
  - (B) The scope of the program, including financial information on fees to be charged, sources of projected revenue, and costs; and
  - (C) An explanation of why the program cannot be implemented successfully under the general fund appropriation process;
- (2) Reflects a clear nexus between the benefits sought and charges made upon the program users or beneficiaries or a clear link between the program and the sources of revenue, as opposed to serving primarily as a means to provide the

program or users with an automatic means of support that is removed from the normal budget and appropriation process;

- (3) Provides an appropriate means of financing for the program or activity that is used only when essential to the successful operation of the program or activity; and
- (4) Demonstrates the capacity to be financially self-sustaining.

The bill does not identify a program that will be supported by the Agricultural Development and Food Security Special Fund, nor does the bill provide a purpose, scope, or an explanation as to why the program cannot be implemented successfully under the general fund appropriation process. Thus, we recommend that the bill identify the program that will be supported by the special fund and provide an explanation of the purpose and scope of the program and how the special fund is necessary for the program's implementation.

Additionally, the bill states that the moneys in the Agricultural Development and Food Security Special Fund may, in part, be expended to award grants to farmers for agricultural production or processing activities (page 3, lines 10 to 11), but provides no standards for those grants to be awarded. Article VII, section 4, of the Constitution of the State of Hawaii requires that "[n]o grant of public money or property shall be made except pursuant to standards provided by law." We have attached draft standards to this testimony as a sample to work from. These standards could be inserted on page 4, line 9, as a new subsection (d), with subsequent subsections appropriately re-alphabetized. Additionally, we are happy to work with you on developing more specific standards.

Thank you for the opportunity to provide comments.

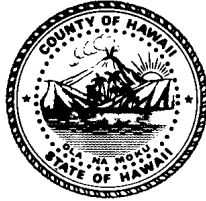
POSSIBLE STANDARDS FOR THE GRANTS IN THIS BILL

Applications for grants shall be made to the department of agriculture and biosecurity and contain the information as shall be required by rules adopted thereunder. At a minimum, the applicant shall:

- (1) Be licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
- (2) Provide a detailed plan outlining the scope, objectives, and projected impact of the project and a clear breakdown of how grant funds will be used;
- (3) Agree to use state funds exclusively for the purposes of this program;
- (4) Indicate capability to properly use the grant for the purposes of the program;
- (5) Comply with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, disability, or any other characteristic protected under applicable federal or state law;
- (6) Agree not to use state funds for purposes of entertainment or perquisites;
- (7) Comply with other requirements as the department may prescribe;
- (8) Comply with all applicable federal, state, and county statutes, rules, and ordinances;
- (9) Agree to indemnify and save harmless the State of Hawaii and its officers, agents, and employees from and against any and all claims arising out of or resulting from activities carried out or projects undertaken with funds provided hereunder and procure sufficient insurance to provide this indemnification if requested to do so by the department.

- (10) Agree to make available to the department all records the applicant may have relating to the grant, to allow state agencies to monitor the applicant's compliance with this section."

C. Kimo Alameda, Ph.D.  
*Mayor*



Benson Medina  
*Director*

Dennis Lin  
*Deputy Director*

**County of Hawai'i**  
**DEPARTMENT OF RESEARCH AND DEVELOPMENT**  
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(808) 961-8366 • Fax (808) 935-1205  
E-mail: chresdev@co.hawaii.hi.us

February 3, 2026  
HEARING BEFORE THE  
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT  
WEDNESDAY, February 4, 2026  
3:00 PM  
CONFERENCE ROOM 224

TESTIMONY ON SB 2332  
Relating to Taxation

Aloha Chair Gabbard, Vice Chair Richards and Members of the Committee,


I am Benson Medina, Director of the Department of Research and Development, County of Hawai'i. One of the agricultural objectives of this department is to support collaboration, innovation, resource development, and programmatic sustainability throughout the food system to reduce food waste, improve producer viability and resilience, develop workforce development pathways, or increase access to locally produced food among low-income residents.

The County of Hawai'i provides written testimony in **SUPPORT of SB2332**, to reestablish the Agricultural Development and Food Security Special Fund.

The State of Hawai'i aims to at least double local food production, with a goal of 20-30% of food consumed is grown locally (Aloha+ Challenge). However, gaps in production, aggregation, and processing of agricultural products limit the productivity and growth of Hawai'i agriculture (Office of Planning, 2012; Hāmākua Institute, 2021). Producers are motivated to overcome these challenges to meet statewide goals yet require assistance in the form of grants and infrastructure. In fact, 2 out of 3 producers in Hawai'i with at least \$50,000 in estimated gross production expressed interest in expanding operations within 6-9 months, and this increased to 88% of producers if state grant funding was available (NASS, 2021).

The Agricultural Development and Food Security Special Fund reestablished by SB678 would meet gaps in existing investment and support programs to address production and value-chain bottlenecks and increase local consumption. Thank you for championing agriculture in Hawai'i and for the opportunity to provide testimony in **SUPPORT of SB2332**.

Respectfully,

  
Benson Medina  
Director



## Carbon Cashback

February 2, 2026

Re: AEN hearing of SB2332 on February 4, 2026

Position: Strong Support

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment

Carbon Cashback Hawai'i is in strong support of SB2332.

Carbon Cashback Hawai'i advocates for legislation that reduces carbon emissions and strengthens Hawai'i's energy independence while protecting vulnerable kama'aiana families. The carbon cashback program established under SB2332 does exactly that. It is not the only policy that Hawai'i needs to achieve these goals, but it is the most effective one, and complements other approaches. The benefits and advantages of the carbon cashback program include:

- 1) It is the most cost-effective policy to reduce carbon emissions as it corrects an existing market failure by internalizing the social cost of burning fossil fuels. It addresses carbon emissions in all sectors of the economy, unlike a narrowly focused gasoline tax.
- 2) It protects low-income households by prepaying the dividend or cashback before the carbon fee goes into effect, and it is progressive, as the cashback increases inversely with income.
- 3) It complements other emission reduction policies. When these policies are combined with price incentives, such as carbon cashback, these policies can result in significant emission reductions.
- 4) Implementation is relatively simple, as it uses existing administrative processes for the barrel tax and income tax to collect the carbon fee and pay the tax credits.
- 5) It reestablishes the Agriculture Development and Food Security Fund.

The support for Carbon Cashback comes from many corners ranging from those that specialize in economics to tax policy to energy to environment.

- The University of Hawai'i Economic Research Organization found that a carbon cashback program like the one in SB2332 would reduce the state's rate of carbon emissions by about 13 percent—far more than any other other policy considered to date.

- Hawai‘i’s 2020-2022 Tax Review Commission put carbon cashback at the top of its list of recommendations.
- The Hawai‘i State Energy Office, in its *Hawai‘i Pathways to Decarbonization* report, includes a version of carbon cashback among its recommendations to decarbonize the State’s economy.
- The Hawai‘i Climate Change Mitigation and Adaptation Commission’s *Hawai‘i Climate Action Pathways 2025* recommends a carbon cashback program.

We noticed one drafting error in the bill and recommend the following correction. The increase in the barrel tax should first take place in 2027; therefore, the years for the barrel tax rates on petroleum and other fossil fuels should be advanced by one year. For example, the tax rate for petroleum products and other fossil fuels in calendar year 2027 should be \$5.25/barrel and \$0.79/million Btus, respectively. Also note, the tax rate in 2026 should remain at the current rate of \$1.05/barrel and \$0.19/million Btu for petroleum products and other fossil fuels, respectively.

Please pass SB2332 out of your committee. It will move Hawai‘i a long way towards achieving our climate and energy resilience goals while offering residents the financial means to adapt in a just and equitable manner.

Mahalo nui loa.



P.O. Box 253, Kunia, Hawai'i 96759  
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 4, 2026

HEARING BEFORE THE  
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

**TESTIMONY ON SB 2332**  
**RELATING TO TAXATION**

Conference Room 224 & Videoconference  
3:00 PM

Aloha Chair Gabbard, Vice-Chair Richards, and Members of the Committee:

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 provides comments on SB 2332.** HFB supports the reestablishment of the Agricultural Development and Food Security Special Fund as proposed in SB 2332. The original intent of the Environmental Response, Energy, Carbon Emissions, and Food Security Tax, commonly referred to as the Barrel Tax, was to support clean energy, environmental response, and local agricultural production as part of a broader effort to reduce Hawai'i's reliance on imported fuel and food.

As an organization that generally opposes new or increased taxes, HFB took the unusual step of supporting the Barrel Tax when it was first enacted because it included a dedicated, protected funding source for agriculture. At the time, the agricultural sector faced significant and long-standing underinvestment, and the Agricultural Development and Food Security Special Fund was intended to provide stable, predictable resources to increase local food production, strengthen agricultural infrastructure, and improve food security.

When the agricultural portion of the Barrel Tax was repealed in 2021, agriculture lost a critical source of dedicated funding. While we recognize the fiscal challenges the State faced during that period, we believe the removal of the agricultural fund undermined the original balance and intent of the Barrel Tax as it was presented to, and supported by, the agricultural community.

HFB's primary interest in SB 2332 is the reinstatement of the Agricultural Development and Food Security Special Fund and the restoration of its original purpose. We believe that reinvesting a portion of these revenues directly into agriculture remains essential to addressing Hawai'i's food security challenges and to supporting farmers and ranchers working to increase local production.

At the same time, we respectfully note concerns regarding the broader structure of SB 2332. The bill proposes significant increases to the Barrel Tax over time and allocates the resulting revenues to an increasing number of programs and initiatives. As more purposes are attached to the Barrel Tax, pressure to increase the tax understandably grows. These increases, however, will have ripple effects across the economy, including higher fuel, transportation, and energy costs that ultimately impact farmers, ranchers, and food prices.

We urge the Committee to ensure that, at a minimum, the Agricultural Development and Food Security Special Fund is fully reinstated and protected for its intended agricultural purposes. Restoring agriculture's share honors the original intent of the Barrel Tax and recognizes the critical role local food production plays in Hawai'i's resilience, sustainability, and long-term security.

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

# TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

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

BILL NUMBER: SB 2332

INTRODUCED BY: GABBARD, KEOHOKALOLE, RICHARDS

EXECUTIVE SUMMARY: Reestablishes the Agricultural Development and Food Security Special Fund. Establishes the Carbon Emissions Tax and Dividend Special Fund. Gradually increases the Environmental Response, Energy, Carbon Emissions, and Food Security tax rates and establishes a refundable carbon cashback tax credit to offset increases for most taxpayers. Requires reports to the Legislature. Appropriates funds.

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

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

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

- (1) Administer the environmental response, energy, carbon emissions, and food security tax;

- (2) Administer the refundable tax credits established by this bill; and
- (3) Increase public awareness and interest in the refundable tax credits established by this bill.

Adds a new section to chapter 235, HRS, granting a carbon cashback refundable tax credit.

<b>For year 2026:</b>	
<b>Filing Status</b>	<b>Credit Amount</b>
Single or Married Filing Separately	\$ 52
Head of Household	52
Married Filing Jointly or Surviving Spouse	104
Add: Per Dependent	26
<b>For year 2027 and thereafter:</b>	
<b>Filing Status</b>	<b>Credit Shares</b>
Single or Married Filing Separately	1.0
Head of Household	1.0
Married Filing Jointly or Surviving Spouse	2.0
Add: Per Dependent	0.5

Each credit share equals the amount of barrel tax collected divided by 1,440,000.

Defines a "qualifying taxpayer" as a taxpayer who is subject to individual income tax, but does not include any person who is claimed or is otherwise eligible to be claimed as a dependent by another taxpayer for federal or Hawaii state individual income tax purposes.

Provides that any carbon cashback tax credits not issued pursuant to this section for the most recent taxable year for which the return filing deadline has passed shall be allocated to the department of human services' Med-QUEST division.

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

<b>Calendar Year</b>	<b>Amount Per Barrel</b>
<b>2026</b>	\$ 5.25
<b>2027</b>	9.45
<b>2028</b>	13.65
<b>2029</b>	17.85
<b>2030</b>	22.05
<b>2031</b>	26.25
<b>2032</b>	30.45

<b>2033</b>	34.65
<b>2034</b>	38.65
<b>2035</b>	43.05
<b>For each year thereafter add</b>	1.00

Adds the following earmarks of barrel tax on petroleum products (per fiscal year):

- (1) 15 cents per barrel to the agricultural development and food security special fund created by the bill;
- (2) \$1,000,000 to the carbon emissions tax and dividend special fund created by the bill;
- (3) 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
- (4) \$1.05 per barrel on gasoline, diesel, or other fuel sold for use in or used for small boats shall be deposited in the boating special fund.

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

<b>Calendar Year</b>	<b>Amount Per Million BTU</b>
<b>2026</b>	\$ 0.79
<b>2027</b>	1.39
<b>2028</b>	1.99
<b>2029</b>	2.59
<b>2030</b>	3.19
<b>2031</b>	3.79
<b>2032</b>	4.39
<b>2033</b>	4.99
<b>2034</b>	5.59
<b>2035</b>	6.09
<b>For each year thereafter add</b>	0.15

Adds the following earmark of barrel tax on non-petroleum fossil fuels (per fiscal year):

- (1) 14.3% to the agricultural development and food security special fund created by the bill.

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

Makes technical and conforming amendments.

EFFECTIVE DATE: July 1, 2026, provided that Section 4 (tax credit) shall apply to taxable years beginning after December 31, 2025; Section 7 (barrel tax) shall apply to taxable years beginning after December 31, 2026.

STAFF COMMENTS: **Carbon Tax Generally:** An economist from UHERO, the University of Hawaii Economic Research Organization, posted an analysis arguing that strong, decisive action

such as a carbon tax is going to be needed if we are going to achieve the greenhouse gas goals. “But without any specifics as to how we are to achieve [greenhouse gas] reductions – through a carbon tax or otherwise – it is largely symbolic,” she argues.

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

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

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

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

Maybe it’s good for lawmakers to worry about the end of the world as we know it, which perhaps will be staved off by the social change the tax encourages. But their constituents are worried not about the end of the world, but the end of next week. Will their paychecks be enough to pay the rent, keep the lights on, or feed the family? If the cost of simply driving to work from the suburbs is horrible now, just wait until the tax kicks in.

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

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

**Applicability of Tax to Aviation Fuel:** There is an issue as to whether this tax as applied to aviation fuel would be preempted by federal law. The federal Anti-Head Tax Act, 49 U.S.C. § 40116, prohibits any tax, fee, or charge first taking effect after 1994 exclusively upon a

business located at an airport unless the tax, fee, or charge is wholly utilized for airport or aeronautical purposes. 49 U.S.C. § 40116(d)(2)(A)(iv). Although the bill states that tax collected on aviation fuel is paid to the airport fund, there is an issue as to whether the carbon cashback credit, which is based on all barrel tax collections on petroleum products, would be considered a use of the tax that is unrelated to airport purposes. In addition, the barrel tax collections on non-petroleum fossil fuels used for aviation, if such fuels exist now or later, would not be paid to the airport fund and thus would violate the prohibition to that extent. These would be questions of federal, not state, law.

**Allocation of Unclaimed Credits to Med-QUEST:** The bill attempts to give any unclaimed credits to the Med-QUEST division of the Department of Human Services, and states that any credits not issued once the return filing deadline has passed can go to Med-QUEST. There is a technical problem because taxpayers can claim the credit on or before the end of the twelve-month period starting with the end of the tax year in which the taxpayer could first claim the credit. To fix this problem, the two dates should be aligned.

Digested: 1/31/2026



Testimony Before the Senate Committee on Agriculture and the Environment

By Beth Amaro  
Member Services and Communications Manager  
Kaua'i Island Utility Cooperative  
4463 Pahe'e Street, Suite 1, Līhu'e, Hawai'i, 96766-2000

Wednesday February 4, 2026; 3:00 pm  
Conference Room #224 & Videoconference

**Senate Bill No. 2332 – RELATING TO TAXATION**

To the Honorable Chair Mike Gabbard, Vice Chair Herbert M. "Tim" Richards III, and Members of the Committee:

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

**KIUC opposes this measure as it relates to a proposed carbon emissions tax.**

Over the past 10 years, KIUC has significantly increased its renewable generation. In 2010, KIUC's energy mix included 10% renewable. Over the past five years, renewable production on Kaua'i has averaged between 50% and 70%. We estimate for 2025 we achieved roughly 50% renewable, which is well-ahead of the current state Renewable Portfolio Standards (RPS) requirement of 30%.

This means we are still using significant amounts of fossil fuel, and anticipate that usage will remain relatively stable until at least 2029 when new proposed renewable projects come on line and we could potentially reach 80% renewable. Should we not be successful in deploying those projects, our fossil fuel usage will likely continue at roughly 50% of generation for the foreseeable future.

We estimate that, between 2026 and 2028 at the current consumption of fossil fuel, the additional cost of these proposed tax increases will be roughly \$4 million per year, which will be passed directly to ratepayers at a cost of approximately \$4 per month.

KIUC has met and exceeded all benchmarks associated with the state's RPS and has set its own strategic goal of reaching 100 percent renewable by 2033: 12 years ahead of the state mandate. We believe SB 2332 does not acknowledge these efforts, would penalize electric utilities who are in compliance with the RPS, and would adversely impact KIUC's members (ratepayers). If this bill moves forward, we believe electric utilities subject to the RPS should be exempted.

Mahalo for the opportunity to comment.

Aloha Chair, Vice Chair, Committee Members,

On behalf of Greenpeace Hawaii's thousands of supporters and members statewide we stand in Strong Opposition to SB2332 that Reestablishes the Agricultural Development and Food Security Special Fund. Establishes the Carbon Emissions Tax and Dividend Special Fund. Gradually increases the Environmental Response, Energy, Carbon Emissions, and Food Security tax rates and establishes a refundable carbon cashback tax credit to offset increases for most taxpayers. Requires reports to the Legislature. Appropriates funds.

We do support Reestablishing the Agricultural Development and Food Security Special Fund for farmers, but we do not support adding Carbon Cashback to this legislation. The problem with adding Carbon Cashback to legislation to Reestablishes the Agricultural Development and Food Security Special Fund is that there is no proof that Carbon Cashback will be of a substantial benefit to farmers. In fact all evidence confirms that Carbon Cashback will be a financial burden for farmers. Just last year Canada had to repeal it's carbon tax because farmers and consumers demanded it be repealed specifically because it was hurting them financially, and there was little evidence that the carbon tax was cutting carbon emissions. Also there was significant opposition to the Carbon Cashback bill during last year's session of the Hawaii State Legislature. Organizations that opposed Carbon Cashback last year included Airlines of America, Chamber of Commerce Hawaii, Grassroot Institute of Hawaii, Greenpeace Hawaii, The Hawaii Farm Bureau, Island Plastic Bags Inc., Kauai Island Utility Cooperative, Retail Merchants of Hawaii, and the Tax Foundation of Hawaii. They opposed a Carbon Cashback Tax because it would raise prices on all goods and services, and will particularly hurt financially consumers, farmers, and small businesses.

Please do not pass SB2332.

Mahalo for your kind attention,  
Dave Mulinix, CoFounder Greenpeace Hawaii

### **Detailed Information On Why Carbon Cashback Is A Bad Idea For Hawaii Farmers, Consumers And Small Business.**

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

Just a few of the reasons the major Climate, Environment and Justice Organizations oppose carbon pricing and taxing schemes like Carbon Cashback is because in their 30 years history they have been ineffective in reducing carbon emissions; and they raise prices on all goods and services thus having a negative financial impact on farmers, small businesses, low-income families, people of color, and indigenous communities. See below Greenpeace Hawaii short 15 minute video and slide presentation explaining why a Carbon Cashback Tax will have little to no effect in cutting carbon emissions and will financially hurt low-income families. [2]

*"I will not sell or exchange my life and my health for a check. To me, that would be the same as authorizing someone to pollute me...Just to make matters simple for people who are very aggressive*

*and want to tell me how I don't understand how this is going to benefit me. Nothing taking away my life and my health will ever benefit me, so there's no explanation that you can ever give me that will make me support any of this no matter what name you call it."* - Kathy Eglund, NAACP National Board of Directors.

See below detailed reports by the NAACP, Indigenous Environmental Network, Food & Water Watch, and Earth Justice Network on why carbon pricing and taxing schemes have not, will not, and cannot lower carbon emissions, and why farmers, small businesses, low-income families, people of color, and indigenous communities suffer the greatest hardship when they are implemented. [3]

Some key points of our concerns regarding Carbon Cashback include:

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

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

**2) Carbon Cashback is based on an unproven theory that carbon pricing and taxes can reduce carbon emissions.** A peer reviewed research paper examined all 37 studies that assessed the actual effects of carbon pricing policy on emissions reductions concluded that overall, aggregate reductions from carbon pricing has a limited impact on emissions—generally between 0% and 2% per year. The author summed her finding up, stating: *"We've now had 30 years of experience on carbon pricing, and not a hell of a lot to show for it."* - Jessica Green, Professor studying Climate Change, Carbon Markets, and Fossil Fuel Companies at The University of Toronto. See below Does Carbon Pricing Reduce Emissions? A Review Of Ex-Post Analyses – Peer Reviewed Research Paper. [4]

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

**4) The Carbon Cashback rebate will only cover the cost of fossil fuels for individuals, but local businesses will not benefit from a Carbon Cashback Tax and so will have to raise their prices to cover the additional cost of the Carbon Cashback Tax.** The Carbon Cashback Tax will increase overall prices on everything disadvantaging low-income families, consumers, farmers, and small

businesses. This fact was confirmed by the Airlines of America, Chamber of Commerce Hawaii, Grassroot Institute of Hawaii, Greenpeace Hawaii, The Hawaii Farm Bureau, Island Plastic Bags Inc., Kauai Island Utility Cooperative, Retail Merchants of Hawaii, and the Tax Foundation of Hawaii who all testified in opposition to a Carbon Cashback Tax because it would raise prices on all goods and services, and will particularly hurt consumers and small businesses.

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

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

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

**7) Citizen Climate Lobby, the national organization that promotes carbon pricing and taxing schemes like Carbon Cashback is very selective in the reports and data that they share, and they neglect to share reports and data that undermine or refute their claims.** For instance Citizen Climate Lobby's flagship of supposed carbon tax success is Canada's carbon tax that has actually turned out to be a complete failure. In response to consumers and farmers anger over the overall increase in prices on all goods and services the Canadian Parliament has essentially rescinded its carbon tax program.

See below multiple reports on the failure of Canada's carbon tax and articles documenting growing opposition and demand to repeal Canada's carbon tax. [5]

Mahalo  
Dave Mulinix, CoFounder & Hawaii State Representative  
Greenpeace Hawaii

#### References:

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

**[2] Link to Greenpeace short 15 minute presentation on why Carbon Cashback will have little effect on cutting carbon emissions and will financially hurt low-income families.**  
[https://drive.google.com/file/d/1KMmDrRHE\\_pfT8yCIXfAYi5R1ob\\_u9NDY/view](https://drive.google.com/file/d/1KMmDrRHE_pfT8yCIXfAYi5R1ob_u9NDY/view)

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

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

**National Association for the Advancement of Colored People (NAACP) Report  
Nuts Bolts And Pitfalls Carbon Pricing Equity Based Primer Paying Pollute  
Why Carbon Pricing and Trading Is a False Solution**

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

**Climate Justice Alliance and Indigenous Environmental Network Report  
Carbon Pricing A Critical Perspective for Community Resistance**

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

**Food & Water Watch Report  
Off Course: Carbon Pricing Myths and Dirty Truths**

[https://www.foodandwaterwatch.org/wp-content/uploads/2021/06/IB\\_2106\\_AgCarbonOffsets-WEB-1.pdf](https://www.foodandwaterwatch.org/wp-content/uploads/2021/06/IB_2106_AgCarbonOffsets-WEB-1.pdf)

**Energy Justice Network Report  
Are Carbon Taxes Another False Solution?**

<https://energyjustice.net/are-carbon-taxes-another-false-solution/>

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

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

**Government of Canada**

**Removing the consumer carbon price, effective April 1, 2025**

<https://www.canada.ca/en/departement-finance/news/2025/03/removing-the-consumer-carbon-price-effective-april-1-2025.html>

**AgEcon Search: Research in Agricultural and Applied Economics Report  
The Impact of Carbon Tax on Food Prices and Consumption in Canada**

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

**Food & Water Watch Report**

**The British Columbia Carbon Tax. A Failed Experiment in Market-Based Solutions to Climate Change**

[https://www.foodandwaterwatch.org/wp-content/uploads/2021/09/rpt\\_1609\\_carbontax\\_web17011.pdf](https://www.foodandwaterwatch.org/wp-content/uploads/2021/09/rpt_1609_carbontax_web17011.pdf)

**Why agricultural groups fiercely oppose the carbon tax**

<https://news.usask.ca/articles/research/2019/why-agricultural-groups-fiercely-oppose-the-carbon-tax.php#:~:text=Farmers%20produce%20a%20homogeneous%20product,on%20in%20the%20supply%20chain.>

**Ontario Federation of Agriculture**

### **Cancellation of Carbon Tax**

[https://ofa.on.ca/cancellation-of-carbon-](https://ofa.on.ca/cancellation-of-carbon-tax/#:~:text=OFA%20had%20long%20urged%20the,and%20support%20sustainable%20agricultural%20production.)

[tax/#:~:text=OFA%20had%20long%20urged%20the,and%20support%20sustainable%20agricultural%20production.](https://ofa.on.ca/cancellation-of-carbon-tax/#:~:text=OFA%20had%20long%20urged%20the,and%20support%20sustainable%20agricultural%20production.)

### **Canada gasoline prices slide on removal of consumer carbon tax**

<https://www.reuters.com/world/americas/canada-gasoline-prices-slide-removal-consumer-carbon-tax-2025-04-02/>

Feb. 4, 2026, 3 p.m.  
Hawaii State Capitol  
Conference Room 224 and Videoconference

**To: Senate Committee on Agriculture and Environment**  
**Sen. Mike Gabbard, Chair**  
**Sen. Herbert M. "Tim" Richards, III, Vice-Chair**

**From: Grassroot Institute of Hawaii**  
**Ted Kefalas, Director of Strategic Campaigns**

## TESTIMONY IN OPPOSITION TO SB2332 — RELATING TO TAXATION

Aloha chair, vice chair, and other members of the Committee,

The Grassroot Institute of Hawaii is **deeply concerned** about the potential effects of [SB2332](#). Though presented as a "carbon tax" or "carbon emissions tax," this bill would functionally be a massive increase in the rate of taxation on petroleum and fossil fuels accompanied by a "carbon cashback" tax credit.

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

The economists projected that under a taxation scheme like the one proposed in this bill, "non-tourism exports [would] experience the largest relative impact with a decline of almost 5% in 2025 and 5.7% in 2045. The disproportionate impact occurs because prices of export goods rise relative to the price of goods produced outside of Hawai'i, causing a loss of competitiveness for Hawai'i's non-tourism exports, such as cut flowers and other agricultural products."

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

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

The tax increases proposed in this bill are substantial, as they would quintuple the current rate of \$1.05 per barrel to \$5.25 in 2026, raise it by 80% to \$9.45 in 2027, and have it reach \$43.05 per barrel by 2035. What's more, this would effectively be an infinite tax hike, as it is proposed to continue increasing by \$1 every year after 2035. The bill also would skyrocket taxes on energy from fossil fuel from the current \$0.19 per million BTUs to \$6.09 by 2035, with another infinite tax hike scheme to follow.

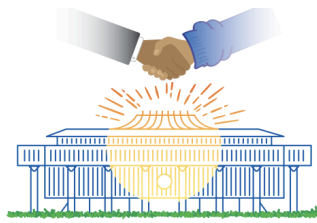
The cashback proposal outlined in this bill appears to be based on the idea that it is possible to reimburse Hawaii residents for the economic impact of a massive tax hike — as though taxes were simply a question of money-in, money-out, with the state government operating as a type of bank. However,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

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

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

Thank you for the opportunity to testify.

Ted Kefalas  
Director of Strategic Campaigns  
Grassroot Institute of Hawaii



## CLIMATE FUTURE FORUM

Date: February 2, 2026  
To: Senator Mike Gabbard, Chair  
Senator Herbert M. "Tim" Richards, III, Vice Chair  
Members of the Agriculture & Environment (AEN)  
From: Climate Future Forum  
Re: **SUPPORT for SB2332**  
Hearing: 02/04/2026, Wednesday, 3:00 PM

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As a youth leader of Climate Future Forum (CFF), I thank you for the opportunity to testify in **support of SB2332**, on behalf of CFF. The Climate Future Forum empowers youth (ages 14-26) to actively engage in shaping and advocating for climate policy and legislation. This bill represents a crucial step toward meeting Hawaii's clean economy goals while ensuring the transition is equitable and economically sound.

As a 16-year-old resident, this bill is deeply personal to me because climate change is directly threatening my future and has already impacted my life. Growing up in California, I experienced firsthand how the climate crisis is making natural disasters more severe and frequent. The increasing temperatures and prolonged droughts have created dangerously dry conditions, turning chaparrals into tinderboxes. Dead vegetation accumulates while living plants lose moisture, creating perfect conditions for fires to ignite and spread rapidly. In 2021, my family had to evacuate our home due to an approaching wildfire – an experience that brought the reality of climate change into sharp focus. Now living in Hawaii, I see different but equally concerning impacts of climate change, from coral bleaching to coastal erosion. This isn't just about abstract future threats – climate change is already reshaping my life and the lives of young people everywhere. We need bold action like SB 2332 to ensure my generation has the opportunity for a stable and sustainable future.

SB2332 adjusts the environmental response, energy, and food security tax to address carbon emissions, gradually raising the tax rate over time, creates a refundable tax credit to mitigate the effect of a carbon emissions tax on lower-income taxpayers, allocates funds to the carbon emissions tax and dividend special fund, and reenacts the agricultural development and food security fund.

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

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

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

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

By bringing together youth, educators, policymakers, and nonprofits, the Climate Future Forum fosters meaningful dialogue on climate action priorities and provides actionable steps to address climate change in Hawai'i. Through discussions involving over 100 youth, the forum has identified key high-priority areas, including regenerative food systems, climate and the economy, clean energy and transportation, climate justice and equity, and sustainable infrastructure.

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

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



Committee on Agriculture and the Environment  
Chair Gabbard, Vice Chair Richards  
Wednesday, 04 February, 3:00 PM  
Room 224  
SB 2332 – The Carbon Cashback Bill

TESTIMONY

Sheryl McCarthy, Legislative Committee, League of Women Voters of Hawaii

Chair Gabbard, Vice Chair Richards, and Committee Members:

**The League of Women Voters of Hawaii strongly supports SB2332, which focuses on a gradually rising carbon fee on fossil fuels. SB2332 offers several environmental benefits including: potential greenhouse gas reduction, financial incentives for businesses and consumers to reduce fossil fuel use, and helps Hawaii achieve energy resilience by reducing dependence on fossil fuels.**

The League of Women Voters US (LWVUS) views climate change as a critical issue that requires action at all levels of government and carbon pricing is one of their key recommended tools for reducing emissions while maintaining economic viability. The proposed carbon cashback legislation, SB2332, is consistent with the LWVUS' longstanding support for carbon pricing as a market based solution to climate change.

Thank you for the opportunity to submit testimony and for the work you are doing to protect the environment.

**Citizens' Climate Lobby Hawaii**  
cclhawaii.org



February 2, 2026

**STRONG SUPPORT OF SB2332 - RELATING TO TAXATION**

Dear Chair Gabbard, Vice-Chair Richards, and members of the Agriculture and Environment Committee,

**Citizens' Climate Lobby (CCL) Hawaii is in STRONG SUPPORT of SB2332.** CCL Hawaii has over 1,110 members across Hawaii. We are a grassroots organization advocating for effective, efficient, and fair climate legislation.

SB2332 "Reestablishes the Agricultural Development and Food Security Special Fund. Establishes the Carbon Emissions Tax and Dividend Special Fund. Gradually increases the Environmental Response, Energy, Carbon Emissions, and Food Security tax rates and establishes a refundable carbon cashback tax credit to offset increases for most taxpayers. Requires reports to the Legislature. Appropriates funds."

SB2332 is a pragmatic solution to one of the most important problems our residents face today: high cost of living, which is directly tied to energy and fuel prices and volatility. This bill imposes a predictable, gradually increasing price on carbon pollution and returns the vast majority of the proceeds to residents through a refundable tax credit (dividend); a portion is set aside for specific energy and environmental programs.

This dividend matters. Our households, especially low- to moderate-income, are already financially strained. They cannot wait for long-term infrastructure projects to lower costs; they need protection now. The best available Hawaii-specific modeling shows that a carbon fee paired with an equal-share household dividend is progressive. In the [University of Hawai'i Economic Research Organization's \(UHERO's\) modeling](#), the lowest-income quintile sees an average net benefit of about \$900 per year after a few years of the program, and middle-income households benefit as well. **Bottomline:** Lower-income households come out ahead because they typically consume less fossil fuel, but everyone receives the same per-person rebate.

SB2332 also would reduce our dependence on imported fossil fuels and emissions by complementing direct regulation and clean energy investment. UHERO's analysis finds that by 2045, emissions are about 13% below baseline (the equivalent of taking about 400,000 gasoline-powered cars off the road), with roughly 25 million metric tons of cumulative avoided emissions from 2025 to 2045, while economic output is only modestly lower than baseline. It also finds only a slight reduction in visitor spending in the modeled scenario. A critical Hawaii benefit is that visitors help fund the rebate while residents receive it.

UHERO has estimated that visitors will contribute a substantial share of revenue over time, effectively serving as a visitor green fee that directly benefits local households.

Some environmental advocates express concern that “carbon pricing has been tried for decades and has not delivered.” Some programs have indeed underperformed. However, isolating causality can be difficult in a highly complex environment, given events such as recessions, power plant retirements, and policy changes. The evidence does not support the claim that carbon pricing never reduces emissions.

[A study of 1,500 climate policies](#) implemented in 41 countries during the past 25 years found that carbon pricing was the most successful policy in developed economies. In addition, carbon pricing showed the most synergy when working with other policies. The key takeaway is what Hawaii advocates have long advocated: the policy is not a silver bullet (there really isn’t one). Carbon Cashback is a foundational policy that works best when combined with other solutions, and other solutions are augmented by it.

SB2332 is written to complement other policies, not substitute for them. Local critics point to British Columbia and argue that carbon tax revenue could be diverted toward corporations. This is precisely why we should implement a transparent dividend design that provides residents with direct benefits and ensures transparent reporting.

SB2332’s approach is fundamentally different from carbon offset markets or corporate “net zero” accounting. It is a simple pollution fee and a refundable credit to households. That is how we build environmental integrity AND political durability.

Finally, this is an affordability and equity bill. We have some of the highest electricity prices in the nation, and extremely low-income households face very high energy burdens. A [recent state analysis](#) reports electricity burdens well into the double digits for extremely low-income families and even higher for those below the poverty line.

SB2332 provides immediate household protection while accelerating our transition from energy dependence to energy self-sufficiency.

Please pass SB2332.

Sincerely,

Citizens’ Climate Lobby Hawaii

[cclhawaii.org](http://cclhawaii.org)

[hi.ccl.hawaii@gmail.org](mailto:hi.ccl.hawaii@gmail.org)

**Citizens’ Climate Lobby (CCL)** is a nonprofit, nonpartisan, grassroots advocacy organization focused on national policies to address climate change solutions. CCL Hawaii’s members are part of a 268,500+ global organization. For more information, visit [citizensclimatelobby.org](http://citizensclimatelobby.org).



February 3, 2026

To: Chair Mike Gabbard, Vice Chair Tim Richards and the Senate Committee on Agriculture and Environment

Subject: **SB2332** Relating to Taxation

Aloha,

I am writing in **support** of **SB2332**, which raises fossil fuel taxes in a predictable manner while simultaneously returning most revenues to local residents through refundable tax credits. The bill also reestablishes the Agricultural Development and Food Security Special Fund, strengthening our local food production and agricultural resilience.

In 2021, the Agricultural Development and Food Security Special fund was repealed due to budget concerns. That action that was made out of necessity, should now be reexamined as the fund provides services that are needed more than ever. Prior to its repeal, the fund supported a range of important projects and activities including<sup>(1)</sup>:

- Awarding of funds to increase the demand and production of locally grown foods,
- The improvement of infrastructure necessary for agricultural production
- Conduct of research and testing of agricultural products and markets
- Funding of agricultural inspector positions within the department of agriculture
- Promotion and marketing of agricultural products grown or raised in the state

The Agricultural Development and Food Security Special fund provides predictable, dedicated revenue and allows for long term investment in locally produced goods. Reestablishing the fund would strengthen the Islands' capability to feed itself, and remain resilient during times of economic, environmental, or supply-chain uncertainty. Furthermore, SB2332 provides revenue to the fund through increased taxes on fossil fuels, and petroleum products further committing the Islands to a more sustainable future.

I urge the committee to pass this measure. Thank you for the opportunity to testify on this measure.

Mahalo,  
The Food+ Policy Team  
#fixourfoodsystem

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**The Food+ Policy internship** develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2026, the cohort of interns are undergraduate and graduate students and young professionals working in the food system. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.

1. Agricultural Development and Food Security Special Fund. Available at:  
<https://dab.hawaii.gov/wp-content/uploads/2019/01/DOA-Ag-Development-and-Food-Security-Special-Fund-report-2019.pdf>

**Testimony of The Nature Conservancy  
Supporting SB2332, Relating to Taxation  
Committee on Agriculture and Environment  
February 4, 2026 at 3:00 pm  
Conference Room 224 and via Videoconference**

Dear Chair Gabbard, Vice Chair Richards, and Members of the Committee:

Mahalo for the opportunity to testify today. The Nature Conservancy (TNC) Hawai'i and Palmyra supports SB2332, which reestablishes the Agricultural Development and Food Security Special Fund, establishes the Carbon Emissions Tax and Dividend Special Fund, gradually increases the Environmental Response, Energy, Carbon Emissions, and Food Security tax rates, and establishes a refundable carbon cashback tax credit to offset increases for most taxpayers.

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. SB2332 is an important step toward aligning Hawai'i's climate policy with the scale of the challenge.

Mahalo for the opportunity to testify in support of SB2332.

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*Guided by science, TNC 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 84,000 acres in 13 nature preserves and 18 managed areas and have supported over 50 coastal communities to help protect and restore the nearshore reefs and fisheries of the main Hawaiian Islands.*

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# MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT  
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 224  
WEDNESDAY, FEBRUARY 4, 2026 AT 3:00 P.M.

To The Honorable Senator Mike Gabbard, Chair  
The Honorable Senator Herbert M. "Tim" Richards, III, Vice Chair  
Members of the Committee on Agriculture & Environment

## OPPOSE SB2332 RELATING TO TAXATION

As an organization dedicated to advancing Hawai'i's economic growth and diversification, we are deeply invested in policies that foster a resilient, competitive business climate. SB2332 is of particular concern due to its proposed increases to the Environmental Response, Energy, Carbon Emissions, and Food Security tax rates, which would directly impact the cost structure for local businesses and industries at a time when economic recovery remains fragile on Maui, and Hawai'i's economy overall is soft.

While we recognize the bill's intent to address climate change and support food security through the reestablishment of special funds and the creation of a refundable carbon cashback tax credit, the cumulative effect of increased taxes poses significant challenges for businesses already facing high operating costs, labor shortages, and the lingering impacts of recent economic disruptions. Raising taxes on energy and emissions can lead to higher costs across supply chains, ultimately increasing the cost of living for residents and making Hawai'i a less attractive place for new and existing industries.

The bill's approach may also inadvertently hinder efforts to diversify the state's economy. Economic diversification depends on encouraging investment in emerging sectors such as technology, manufacturing, and creative industries. Additional tax burdens risk deterring such investment, potentially slowing job creation and innovation. While targeted tax credits may offer some relief to individual taxpayers, they do not fully offset the broader economic impacts on the business community or address the competitive disadvantages introduced by higher operating costs.

We respectfully recommend that the Legislature consider alternative mechanisms to achieve environmental and food security goals without imposing additional tax burdens on Hawai'i's businesses. Strategies such as targeted incentives for clean technology adoption, regulatory streamlining, or public-private partnerships may advance sustainability objectives while maintaining a supportive environment for economic growth and diversification. We encourage further dialogue with the business community to ensure that policy solutions balance environmental priorities with the urgent need for economic resilience and opportunity.

Sincerely,

Pamela Tumpap  
President

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

Date: February 3, 2026  
Re: **STRONG SUPPORT for SB2332 RELATING TO TAXATION**  
Hearing Date: February 4, 2026 @ 3PM

Aloha Chair Gabbard, Vice-Chair Richards, and Members of the AEN Committee:

I'm writing in **strong support of SB2332**.

I'm deeply concerned about the future I'm leaving for my two children. In addition, I'm saddened that my daughter will remain on the Mainland because of affordability issues in Hawai'i. These concerns have motivated me to lobby for Carbon Cashback for the past five years because based on my more than thirty years of analyzing the economic impacts of various energy and environmental policies, it is one of the few that efficiently reduces fossil fuel usage while financially helping most low- and middle-income households.

Many well-meaning people have enacted or proposed policies to reduce our use of fossil fuels, but the vast majority of these policies come with hidden costs that make it hard for businesses to assess or provide the wrong market signals or are regressive or all three.

Carbon pricing provides a clear market signal and places no restrictions on businesses so they are free to determine how to best reduce their use of fossil fuels as prices increase. By taking all these revenues from the fee on fossil fuels and returning it to people in equal shares, the Carbon Cashback policy turns the classic regressive energy tax into a policy that has a progressive impact on households, namely, lower income households on average fare better than higher income households.

Furthermore, my conclusion about the effectiveness of carbon pricing is supported by a recent paper<sup>1</sup> that evaluated 1,500 climate policies that span from 1998-2022. The study found:

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

Please pass SB2332 out of your committee as an important step in protecting our planet and helping our kama'aina.

Mahalo nui loa,



Paul Bernstein, PhD

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

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

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<sup>1</sup> Source: *Climate policies that achieved major emission reductions: Global evidence from two decades*, [Annika Stechemesser](#), [Nicolas Koch](#), [Ebba Mark](#) Elina Dilger, [Patrick Klösel](#), [Laura Menicacci](#), [Daniel Nachtigall](#), [Felix Pretis](#), [Nolan Ritter](#), and [Anna Wenzel](#), Science, 22 Aug 2024, Vol 385, Issue 6711, pp. 884-892.

**SB-2332**

Submitted on: 2/3/2026 2:37:49 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

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

Comments:

Aloha e Chair Gabbard, Vice Chair Richards, Senator DeCoite, Senator Rhoads and Senator Awa,

I support this bill.

**In the name of generational legacy - for our children and grandchildren - I urge you to take bold action now and lead this great state to emission reductions of fourteen percent or more.**

Carbon Cashback a Carbon Fee and Dividend approach is a proven, measurable, effective and efficient market driven approach to reducing Green House Gas (GHG) emission whilst benefiting lower income households.

UHERO has confirmed the emissions reduction and progressive nature of a policy like Carbon Cashback. It was the [top recommendation](#) of the Hawai'i 2020-2022 Tax Review Commission. More recently, the Hawaii State Energy Office recommended a [carbon surcharge](#) using the existing barrel tax and distributing the revenue to residents.

Carbon pricing support is growing globally. Over [73 governments](#) have introduced carbon pricing. The policy has been endorsed by economists, scientists, government and religious leaders, business chamber groups, and climate advocacy organizations.

Sweden, Canada, the EU, and other governments have deployed carbon pricing strategies and have seen positive benefits from the policy. [Sweden](#), for instance, started pricing carbon pollution in 1991. In the first ten years, its emissions were reduced by 25% while its economy grew by over 60%.

Doug Hagan

Paia, HI

**SB-2332**

Submitted on: 1/31/2026 8:03:39 AM

Testimony for AEN on 2/4/2026 3:00:00 PM

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

Comments:

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment

I strongly support this bill because it reduces climate pollution and increases Hawai'i's energy independence while financially helping vulnerable kama'aina families.

Mahalo!

Virginia Tincher

Honolulu

**SB-2332**

Submitted on: 1/31/2026 1:01:43 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

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

## Comments:

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment

I strongly support this bill because it reduces climate pollution and increases Hawai'i's energy independence while financially helping vulnerable kama'aina families.

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

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

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

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

Please pass this bill to make a better Hawaii.



Senate Committee on Agriculture and Environment  
Hearing on February 4, 2026 at 3:00 pm

**SUPPORTING SB 2332**

My name is John Kawamoto, and I strongly support this bill because it reduces fossil fuel emissions, improves Hawaii's energy independence, and provides financial support to most Hawaii families, especially those with low incomes.

Globally, we must act to reduce fossil fuel emissions to prevent the worst impacts of climate change for future generations. Yet the United States has withdrawn from the Paris Agreement, and federal policies continue to encourage fossil fuel production and consumption. In this context, it falls to individual states to take stronger action.

This bill does exactly that. It is also budget-neutral, which is crucial at a time of federal funding cutbacks. By placing a gradually increasing carbon fee on fossil fuels, it encourages individuals and businesses to use less. The revenues from this fee fund a climate rebate distributed to all Hawaii residents who file state income taxes.

Most families would receive more in the rebate than they would pay in higher fossil fuel prices, making the program progressive and protecting vulnerable, lower-income families.

The bill is also easy to administer and has low administrative costs, as it uses existing mechanisms to collect the carbon fee and distribute the climate rebate.

Importantly, carbon fees like this reinforce existing policies to reduce emissions. Studies of climate policies from around the world show that carbon pricing strengthens other climate policies.

Hawaii must take a multi-pronged approach to reduce carbon emissions, reduce dependence on volatile fossil fuel markets, and support families during the transition. This bill helps achieve these goals efficiently, equitably, and in harmony with other policy efforts.

For these reasons, I urge the committee to support this bill.

**SB-2332**

Submitted on: 1/31/2026 3:07:15 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
John C Jack Lewin MD	Individual	Support	Written Testimony Only

Comments:

Jan 31, 2026

TO: Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment

FROM: Jack Lewin MD, Administrator, SHPDA

RE: SB2332 -- Regarding Carbon Taxes

POSITION: Support

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TESTIMONY:

**We strongly support this bill** to reduce climate pollution and increase Hawai‘i’s energy independence while financially helping vulnerable kama‘aina families.

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

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

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

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

Mahalo, Jack

**SB-2332**

Submitted on: 2/1/2026 8:38:45 AM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Benjamin Narwold	Individual	Support	Written Testimony Only

## Comments:

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment

I strongly support this bill because it reduces climate pollution and increases Hawai'i's energy independence while financially helping vulnerable kama'aina families.

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

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

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

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

Mahalo!

Benjamin Narwold, Kapaa, Hawaii

**SB-2332**

Submitted on: 2/1/2026 8:50:09 AM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
David Murray	Individual	Support	Written Testimony Only

## Comments:

Aloha Chair Gabbard, Vice Chair Richards, and the members of the Committee on Agriculture and Environment.

I am writing to express my **strong support** for this bill because it will reduce pollution, decrease Hawai'i's dependence on imported energy, and support vulnerable families in our state.

This bill places incrementally rising carbon fee on fossil fuels, incentivizing consumers to use less, thereby reducing the carbon emissions which contribute to the ongoing climate crisis which threatens not only our home here in the islands, but ecosystems across the globe.

This policy is budget neutral. The revenue from the carbon fee will be used to fund a climate rebate, which is then in turn distributed to Hawai'i tax filers. This rebate will be a significant boon to families accross the islands who are struggling financially.

The bill is straight-forward and simple to administer because it is built upon existing mechanisms which can be used to collect the fee and distribute the rebate.

Hawai'i **must** take a multi-faceted approach to reduce carbon emissions and dependence on fossil fuels that are subject to price volatility in an increasingly volatile global market. This bill has the added bonus of helping support the people of Hawai'i as we transition to more sustainable sources of energy. This bill is efficient, equitable, and works well with other policy approaches.

As we draw ever closer to the point of no return in terms of global temperature, action becomes more and more necessary. This bill is a no-nonsense first step towards a sustainable future for our state.

Thank you,

David Murray, Kaneohe

**SB-2332**

Submitted on: 2/1/2026 11:07:38 AM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Neil Frazer	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Gabbard, Vice Chair Richards, and Committee Members,

I strongly support this bill.

As things now stand, when you drive your car down the road and pass a bicycle you should be aware that the person on the bicycle is paying the planet-killing costs of the greenhouse gasses emitted during the production and use of your automobile. It just ain't fair!

Mahalo for your unselfish service to the people of Hawai'i.

Neil Frazer, PhD

**SB-2332**

Submitted on: 2/1/2026 1:55:38 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

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

Comments:

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment

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

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

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

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

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

Mahalo!

**SB-2332**

Submitted on: 2/1/2026 2:25:11 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

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

Comments:

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment

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

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

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

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

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

Mahalo!

John Naylor Makawao

**SB-2332**

Submitted on: 2/1/2026 5:23:06 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

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

Comments:

Carbon pricing is recommended by the IPPC of the UN and thousands of economists, will encourage renewable energy, reduce fossil fuel emissions in an equitable way by way of rebates to residents. This is a budget neutral bill whose time has come. Please pass it! Mahalo

**SB-2332**

Submitted on: 2/1/2026 6:16:32 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

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

## Comments:

Thank you for hearing SB2332. I have lived in Hilo since 1982 and am retired from the University of Hawai`i at Hilo. I have followed the issues of making energy in Hawai`i less dependent on forces outside our island, more affordable, and more friendly to the environment. I personally have 17 solar panels on my roof and drive an electric Kia Niro.

I support this “Carbon Cashback” bill because it will reduce the use of fossil fuels in Hawai`i by charging a fee of companies that import fossil fuels. It will distribute those funds to Hawai`i’s people to offset the increase in cost that the fossil fuel companies will pass on to consumers. Low-income families will benefit the most because they use less energy.

Many economists favor this disincentive for fossil fuels because it will be simple to implement and effective in quickly reducing carbon emissions. “Carbon Cashback” is a fundamental solution because it influences the entire economy, but it is meant to be used in combination with other solutions that affect smaller sections, like subsidizing electric vehicles.

We are running out of time and need this solution in addition to whatever else we can manage to do. Thank you for considering my testimony and thank you for your service to the people of Hawai`i.

**SB-2332**

Submitted on: 2/2/2026 8:41:32 AM

Testimony for AEN on 2/4/2026 3:00:00 PM

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

Comments:

In support of. Thank you.

**SB-2332**

Submitted on: 2/2/2026 10:04:54 AM

Testimony for AEN on 2/4/2026 3:00:00 PM

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

Comments:

February 2, 2026

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment

Strongly support SB2332.

As Hawai'i resident I've become increasingly concerned about the amount of fossil fuels we import, at great expense to the Hawaiian economy. For greater prosperity and resilience we must take several measures to mitigate fossil fuel dependency. Hawaii must take measures to insulate ourselves from market and geopolitical disruptions.

SB2332 is one of the needed measures offering residents the financial means to adapt in a just and equitable manner

Keith Neal

Waimea

**SB-2332**

Submitted on: 2/2/2026 10:59:08 AM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Charles Thompson	Individual	Support	Written Testimony Only

Comments:

Think global

act local !

**SB-2332**

Submitted on: 2/2/2026 12:59:29 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Mike Moran	Individual	Support	Written Testimony Only

Comments:

Please support Mahalo

Mike Kihei Maui

Aloha Chair Gabbard, Vice Chair Richards, and Members of the Committee on Agriculture and Environment,

I am writing to strongly support SB2332. If passed, the bill will reduce climate pollution and increase Hawai'i's energy independence while financially helping vulnerable kama'aina families. Families receive their climate rebates upfront—for the 2025 tax year, while the carbon fee does not start until 2026, starting low and increasing gradually.

The impact of climate change is not in the future; it is here now. As someone born and raised in Hawaii, I have watched the impacts of climate change on our corals and coasts as well as seeing the fire and habitat danger we face. We need urgent effective action on climate change to maintain the livability of Hawai'i and of our planet.

This bill reduces fossil fuel emissions by gradually imposing carbon fees, incentivizing businesses as well as individuals to use less fossil fuels. The policy is budget neutral. The carbon fee revenues are used to fund a climate rebate that is distributed to Hawai'i tax filers. The climate rebate makes the bill progressive and protects vulnerable lower-income families.

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

Even this bill is not a silver bullet, but it is an incredibly important piece of the multi-pronged action we must take to reduce carbon emissions and lessen our dependence on fossil fuels while financially helping our kama'aina make the transition. This bill helps achieve those goals efficiently and equitably and works well with other policy approaches.

Carbon cashback delivers emission reductions consistent with Hawai'i's goals. It implements key recommendations of Hawai'i's 2020-2022 Tax Review Commission and the Hawai'i State Energy Office. And it has proven successful elsewhere.

Even more importantly for me, this bill will help our keiki and our aina thrive. Please, please pass this bill.

Mahalo!

Helen Cox

Kalaheo, Kauai

**SB-2332**

Submitted on: 2/2/2026 2:48:02 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Susan Browne	Individual	Support	Written Testimony Only

## Comments:

The Carbon Cashback bill will reduce fossil fuel imports and climate pollution and make Hawai'i more energy-independent. A bonus to the bill is the establishment of the Agricultural Development and Food Security Special Fund. These two together can advance the needs for clean energy and protect our citizens from food scarcity.

**SB-2332**

Submitted on: 2/2/2026 3:01:44 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Keoni DeFranco	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Keoni DeFranco, and I submit this testimony in strong support of SB2332, which establishes a carbon cashback program, gradually increases the environmental response, energy, carbon emissions, and food security tax, and reestablishes the Agricultural Development and Food Security Special Fund.

SB2332 takes a balanced and forward-thinking approach to addressing climate change while protecting Hawai‘i’s working families and strengthening our local food system. By placing a gradually increasing price on fossil fuel pollution, this bill creates a strong incentive to reduce greenhouse gas emissions and move toward a clean energy economy. At the same time, by returning most of the new revenues directly to residents through refundable tax credits, the carbon cashback program ensures that the majority of households are financially better off, even as fuel costs rise.

This structure is both environmentally effective and economically fair. It holds polluters accountable while providing direct relief to families who are most impacted by rising costs of living. For many households, especially working families and kūpuna, the refundable credit will help offset higher energy prices and improve overall financial stability.

Equally important is the reestablishment of the Agricultural Development and Food Security Special Fund. Investing carbon revenue into local agriculture, infrastructure, processing, research, and workforce capacity is essential for reducing Hawai‘i’s heavy reliance on imported food. Strengthening local production not only improves food security and resilience in the face of climate disruptions, but also creates jobs and keeps wealth circulating within our communities.

The bill’s focus on funding agricultural infrastructure, equipment, research, marketing, and land improvements reflects a comprehensive strategy to rebuild Hawai‘i’s agricultural economy. These investments will directly support farmers, ‘āina-based programs, and rural communities while helping the state meet long-term sustainability goals.

SB2332 demonstrates that Hawai‘i can lead in climate action while advancing economic equity and food sovereignty. It aligns environmental responsibility with practical investments in our people and our local economy.

Mahalo for the opportunity to testify in strong support of SB2332.

Respectfully,  
Keoni DeFranco

**SB-2332**

Submitted on: 2/2/2026 3:47:14 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Megan Conley	Individual	Support	Written Testimony Only

## Comments:

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment,

I strongly support this bill because it reduces climate pollution and increases Hawai'i's energy independence while financially helping vulnerable kama'aina families.

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

The carbon fee revenues are used to fund a climate rebate that is distributed to Hawai'i tax filers. The climate rebate help vulnerable lower-income families.

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

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

Please do not delay. Hawaii can and should be a leader in our clean energy transition. Mahalo nui for your consideration.

Aloha,

Megan Conley

**SB-2332**

Submitted on: 2/2/2026 4:01:35 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

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

## Comments:

Aloha Chair Gabbard, Vice Chair Richards, and members of the AEN committee,

I strongly support SB2332. This carbon cashback program will reduce carbon emissions, decrease our dependence on price-volatile imported fossil fuels, and go a long way toward meeting Hawai‘i’s critically important goal of becoming carbon neutral by 2045. At the same time, it will financially protect lower-income households as we transition to a carbon-free economy.

The bill implements the top recommendation of Hawaii’s 2020-2022 Tax Review Commission and key recommendations of the Hawai‘i State Energy Office and the Hawai‘i Climate Change Mitigation and Adaptation Commission.

SB2332 is critically important to Hawai‘i’s future and I urge you to pass it.

Thank you,

Thomas Graham, Honolulu

**SB-2332**

Submitted on: 2/2/2026 11:21:04 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Chisato Tarui	Individual	Support	Written Testimony Only

Comments:

Aloha,

The funding cuts from the current Trump administration are an urgent reminder that we cannot continue to wait around for the chaos of national politics to subside for us to continue to implement progress in our own communities. In fact, it is precisely *because* we cannot rely on this federal government that we must proactively implement what policies we can here in Hawai‘i to build resilience and protect future generations of our community.

Carbon cashback is a revenue-neutral and cost-neutral policy that promotes equity while also tackling the root of the issue: carbon emissions, and the markets failure to reflect its actual costs. This is exactly the kind of policy that we can afford to pass (and, indeed, *should pass*) amidst an uncertain federal landscape.

It is rare for a crisis as mammoth and global as climate change to have a solution as straightforward (and low risk high reward!) as this.

I first testified for carbon cashback in my sophomore year of high school. I am now testifying once again as a freshman at the University of Hawai‘i. Years, or rather, decades ago would have been the best time to pass this bill. The next best time is now.

What good do ambitious promises such as our state's 2045 net-negative emissions goal serve, if we do not even implement the most obvious, fundamental, low-hanging fruit policies to accomplish them?

Mahalo,

Chisato Tarui

**SB-2332**

Submitted on: 2/3/2026 5:23:34 AM

Testimony for AEN on 2/4/2026 3:00:00 PM

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

Comments:

**TESTIMONY IN STRONG SUPPORT OF SB2332**

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee,

I am writing in **strong support** of SB2332.

Hawaii is the most petroleum-dependent state in the nation. We spend billions annually on oil imports, leaving our families and businesses vulnerable to supply chain disruptions and price shocks beyond our control.

SB2332 directly addresses this vulnerability by creating a market signal that accelerates our transition from fossil-fuel assets to locally owned renewable energy. It creates momentum towards a local clean energy industry, efficiency, and energy independence.

The policy is simple. It expands the existing barrel tax and income tax infrastructure to collect a gradually increasing fee on fossil fuels and return the revenue to residents, with the lowest-income households benefiting the most. It is not a complete solution (there isn't one); however, it complements incentives for clean energy and sustainable transportation very well. As Kauai has demonstrated with its high renewable portfolio and lower, more stable electricity prices compared to petroleum-dependent Oahu, energy independence is an economic imperative.

SB2332 provides Hawaii with the most cost-effective tool available to achieve energy self-sufficiency, protect household budgets during the transition, and enable the resilient economy we need.

Please pass this bill.

Mahalo,

[Noel Morin](#)

Climate, Sustainability, and Resilience Advocate

Hilo, Hawaii



**SB-2332**

Submitted on: 2/3/2026 6:02:53 AM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Fredrick Sands	Individual	Support	Written Testimony Only

## Comments:

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment

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

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

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

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

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

Mahalo!

Fredrick H Sands MD

290 Paani Place, Paia, HI 96779

**SB-2332**

Submitted on: 2/3/2026 6:37:57 AM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jacob Bernstein	Individual	Support	Written Testimony Only

## Comments:

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment

I strongly support this bill because it reduces climate pollution and increases Hawai‘i’s energy independence while financially helping vulnerable families.

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

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

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

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

Mahalo!

Jacob

**SB-2332**

Submitted on: 2/3/2026 7:42:00 AM

Testimony for AEN on 2/4/2026 3:00:00 PM

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

## Comments:

As a retired Hawai'i physician with interest in the links between climate change and health I strongly support SB2332. The bill benefits lower-income households, incentivizes long-term energy resilience and self-sufficiency, garners tourism expenditures to support goals of the bill, and implements key recommendations of Hawai'i's 2020-2022 Tax Review Commission and the Hawai'i State Energy Office.

**SB-2332**

Submitted on: 2/3/2026 7:43:51 AM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ronald "Ron" Reilly	Individual	Support	Written Testimony Only

Comments:

Dear Chair Gabbard, Vice-Chair Richards, and members of the Agriculture and Environment Committee,

**I'm writing in strong support of SB2332.** Carbon pricing is recognized around the world as an essential strategy in climate change mitigation efforts. When coupled with a dividend – carbon tax revenue returned to households – the impact on middle and lower-income families is positive.

SB2332 will establish a carbon cashback program that:

- 1- Gradually increases the environmental response, energy, carbon emissions, and food security tax.
- 2- Has distributors of petroleum products pay the tax
- 3- Reestablishes the agricultural development and food security special fund.
- 4- Returns most of the new tax revenues to households as refundable income tax credits and will provide net financial benefits to mostly low and middle income residents.

The benefits of SB2332 include:

- 1- Help Hawaii reduce its dependence on imported energy.
- 2- Help Hawaii achieve its climate goals.
- 3- Foster development of clean renewable energy.
- 4- Put money in peoples pockets.
- 5- Save lives through reduction on particulate matter air pollution.
- 6- Create high paying careers in the clean energy economy.
- 7- Provide a predicable, rising price on carbon that will help businesses adjust.
- 8- Have no impact on the budget since the policy is revenue neutral and does not increase government expenditures.

**Please support SB2332**

Ron Reilly  
Climate Solutions Advocate  
Volunteer with Citizens' Climate Lobby – Hawaii

**SB-2332**

Submitted on: 2/3/2026 7:47:53 AM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Joe Alfonsi	Individual	Support	Written Testimony Only

## Comments:

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment

I strongly support this bill because it reduces climate pollution and increases Hawai'i's energy independence while financially helping vulnerable kama'aina families.

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

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

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

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

mahalo,

Joe Alfonsi

Makawao, Maui, Hawaii

**SB-2332**

Submitted on: 2/3/2026 7:58:15 AM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cherie Schwartz	Individual	Support	Written Testimony Only

Comments:

I want a safe earth for all generations to come. I am all for the bill and pray it passes.

**SB-2332**

Submitted on: 2/3/2026 8:07:42 AM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kathleen Roberts	Individual	Support	Written Testimony Only

## Comments:

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment

I strongly support this bill because it reduces climate pollution and increases Hawai'i's energy independence while financially helping vulnerable kama'aina families.

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

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

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

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

Thanks, Kathleen Roberts

**SB-2332**

Submitted on: 2/3/2026 9:01:02 AM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Roberta Baker	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment,

**I support SB 2332** because it reduces climate pollution and increases Hawai‘i’s energy independence while financially helping vulnerable kama‘aina families.

SB 2332 helps achieve Hawaii's climate goals efficiently and equitably, and works well with other necessary policy approaches.

Mahalo,  
Roberta Baker  
Hilo

**SB-2332**

Submitted on: 2/3/2026 9:59:50 AM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

GOOD IDEA.

**SB-2332**

Submitted on: 2/3/2026 11:44:37 AM

Testimony for AEN on 2/4/2026 3:00:00 PM

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

## Comments:

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment

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

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

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

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

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

Mahalo!

Jaymen Laupola, Honolulu

**SB-2332**

Submitted on: 2/3/2026 12:04:59 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Seena Clowser	Individual	Support	Written Testimony Only

Comments:

Dear Legislators,

I am in favor of this bill which would tax fossil fuels. We should be disincentivizing their use. I understand this bill to be budget neutral and therefore straightforward. It's also important to provide a dividend to residents, which this bill does. Please pass it!

Thank you,

Seena Clowser

**SB-2332**

Submitted on: 2/3/2026 12:40:46 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Elizabeth Brophy	Individual	Support	Written Testimony Only

## Comments:

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment

I am a student from `Iolani in the CCL (citizens climate lobby) club. I have always cared about environment and preserving nature for the next generation.

I strongly support this bill because it reduces climate pollution and increases Hawai'i's energy independence while financially helping vulnerable kama'aina families.

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

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

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

Hawai'i must take a multi-pronged approach to reduce carbon emissions and lessen our dependence on fossil fuels that are

subject to the price volatility of the global market while financially helping our kama'aina make the transition. This bill helps achieve those goals efficiently and equitably, and works well with other policy approaches.

To conclude, This bill is vitally important because it not only helps save our environment but gives back to the families here in Hawaii.

Mahalo!

Elizabeth Brophy, Honolulu

**SB-2332**

Submitted on: 2/3/2026 12:40:52 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
George Liu	Individual	Support	Written Testimony Only

## Comments:

I'm rising senior at Iolani and feel strongly emotionally attached to this bill as it directly connects to me and Hawaii's future. By enacting this bill, we unlock a path to a brand new future where we need not the fear the consequences of overpollution as a direct consequence of carbon gas emissions. This bill would successfully address the growing need for new policies to guide people onto a path of green and safe energy, allowing lower-income citizens to participate in this larger overhaul to cleaner energy sources.

**SB-2332**

Submitted on: 2/3/2026 12:46:28 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Koby Chan	Individual	Support	Written Testimony Only

## Comments:

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

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

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

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

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

**SB-2332**

Submitted on: 2/3/2026 12:52:11 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Daniel Ward	Individual	Support	Written Testimony Only

## Comments:

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment

I strongly support this bill because it reduces climate pollution and increases Hawai'i's energy independence while financially helping vulnerable kama'aina families.

I am a 16-year old student at Iolani, and I want to support this bill because I care deeply about issues affecting the environment. I have recently started volunteering at a forest restoration site and have seen hands-on what the efforts of the community can do to restore native ecosystems in Hawai'i. I also know how vulnerable these ecosystems are, and how much fossil fuel usage harms these valuable regions. I know Carbon Cashback is relatively easy to implement because it uses existing administrative mechanisms, and carbon pricing is efficient as well. I hope that we can replicate the success that carbon cashback has had elsewhere in our state. As I experience the nature of the Hawaiian Islands more and more, whether in the ocean or the mountains, I recognize just how fragile these islands are, and I want to do everything in my power to fight against anything that is causing harm to this land. This bill helps achieve these goals efficiently and equitably, and works well with other policy approaches.

Mahalo!

Daniel Ward, Honolulu

**SB-2332**

Submitted on: 2/3/2026 12:55:54 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jackson	Individual	Support	Written Testimony Only

## Comments:

Aloha Chair Gabbard, Vice Chair Richard's, and members of the Committee on Agriculture and Environment

My name is Jackson Shu, a sophomore at 'Iolani School. As a 16 year old kid living in Honolulu Hawaii, I feel very strongly about supporting this bill. This bill will place a rising carbon fee on fossil fuels, which encourages the transition to cleaner energy sources by all. Along with that, it increases Hawaii's energy independence while helping Hawaii's families financially. By supporting a healthier and more sustainable future in Hawaii, we can hope to reverse the once thought irreparable damage to our ecosystems and promote cleaner choices for our energy consumption.

Me, and many other residents of Hawaii have come to understand that our respect and furthermore our care for the land is our responsibility to carry. And like me, many of us were first exposed to the prospect of our home being in danger, with the spark of the Lahaina wildfires. I am privledged to grow up in Mānoa Valley, where I learned to connect with the mountains, lush falls and vast expanses of koa and 'ōhi'a lehua. And although I'd long been told of the dangers of global warming, I had never felt the need to advocate for the protection of our aina myself. That was until two years ago, when the news broke that made us all realize just how vulnerable our island homes truly are. It was a wakeup call to not only me, but residents all over the state that advocacy and preventative action must be taken for the preservation of Hawaiian land, and culture. But the mission of battling climate change extends further than just Hawaii, and advocacy for change is important no matter what corner of the world it takes place. For me, learning about how I can do my part to better the islands is my way of taking on the responsibility of caring for our island home. Because everything the land, the people, and the culture has given me is what drives me to take on that responsibility each and every day.

Hawaii must not settle for the 2045 clean energy transition deadline, but actively work to speed up the transition for a healthier home now, rather than later.

Mahalo!

Jackson Shu, Manoa

**SB-2332**

Submitted on: 2/3/2026 12:55:36 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Linus Lum	Individual	Support	Written Testimony Only

Comments:

To: Committee Chair and Members

From: Linus Lum, Sophomore at 'Iolani School

Aloha Chair and Committee Members,

I strongly support SB2332 because it positively affects our environment and protects our natural resources on this planet. It tax on carbon emissions brings more attention to our climate and the issues that are rapidly escalating.

I am a sophomore student at Iolani, and I believe that this bill will bring more attention to my future and all the others around me. I grew up around the ocean, and always wanted to protect and preserve it. I often participated in beach cleanups and joined classes to further understand the severity of climate change and its effects.

In school I attended a climate change class where we continued to broaden our understanding about carbon emissions and how rapidly it is occurring around us, especially in Hawaii. I know that SB2332 will establish benefit our island greatly from its efficient pricing, broad support, and its already existing administrative mechanisms that will make it only easier to implement.

Mahalo!

Linus Lum

**SB-2332**

Submitted on: 2/3/2026 12:56:37 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Madeline Bernstein	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment.

My name is Maddy, and while I am no longer a resident of Hawai'i, I grew up on O'ahu and still return to visit my family often.

**I strongly support SB2332** because it reduces climate pollution and increases Hawai'i's energy independence while financially helping vulnerable kama'aina families.

Sustainability for our environment and for local families is deeply important to me. I believe this bill will strengthen the economy and environment in the state I love so much and still consider home.

This bill works by placing a gradually rising carbon fee on fossil fuels, incentivizing businesses and individuals to use less fossil fuels, the emissions from which are warming the Earth and creating climate havoc in Hawai'i and globally.

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

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

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

Mahalo for your time!

Madeline (Maddy) Bernstein, Palo Alto, California  
Former Honolulu resident

**SB-2332**

Submitted on: 2/3/2026 12:56:40 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Yanrong Chen	Individual	Support	Written Testimony Only

## Comments:

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment

As a rising junior of 'Iolani School, I have grown to become more climate conscious than ever. I'm an avid hiker and passionate conservationist that have walked the trails of our Wai'anae mountains. I have personally felt the disappointment when less and less 'elepaio return and take shelter in our valleys because of climate change and habitat loss. Climate change is a problem that is currently happening now, and it is more urgent than ever that we speak out about it. This is no longer just an issue for those impacted by wildfires and coastal flooding, it is a kākou (everybody's) problem. I urge for the passing of this bill as it reduces climate pollution and increases Hawai'i's energy independence while financially helping vulnerable kama'aina families. I was often told as a child to finish the food I ate as we would only be running on ketchup packets and M&Ms if not for importations. I believe this ideology also applies for Hawai'i's energy dependence. This bill will be able to support this need of our society now.

The bill places a gradually rising carbon fee on fossil fuels, incentivizing businesses and individuals to use less fossil fuels, the emissions from which are warming the Earth and creating climate havoc in Hawai'i and globally. I feel personally passionate about global warming as this also affects the native birds of the Haleakala. Again, less and less places are becoming habitable for these endemic birds, and I urge for more protection against global warming.

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

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

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

Mahalo!

Yanrong Chen, Kapahulu/Mo'ili'ili



**SB-2332**

Submitted on: 2/3/2026 1:02:11 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Audrey Asato	Individual	Support	Written Testimony Only

## Comments:

As a child, I used to snorkel weekly with my father at Waimānalo Beach, looking at the coral and fishes that thrived in the vibrant blue water. However, many repeated visits since then has increased the amount of pollution in our oceans and beaches. While SB 2332 does not relate to pollution, it is still a bill that shows that we as a state care for our ‘āina. As an island state, Hawai‘i will be most affected state in the US due to the burning of fossil fuels due to the emission of greenhouse gases and rising global sea levels. This bill will support those who may have difficulty losing access to fossil fuels through a cash back system. As a high school student, this bill amazes me as it is enticing middle class people with an incentive to promote and switch to renewable methods of energy production; this bill is made for those who want to make a difference in any way possible with a limited budget. I hope this bill will be taken into consideration as a way to initiate more interest and meaningful discussions into the fight to a switch to renewable energy and a better future for generations.

**SB-2332**

Submitted on: 2/3/2026 12:57:28 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Henrik	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Gabbard, Vice Chair Richards, and Members of the Committee on Agriculture and Environment,

I strongly support SB2332, the Carbon Cashback bill.

This bill is meaningful in reducing climate pollution, lower Hawai'i's dependence on imported fossil fuels, and support local agriculture and food security. By placing a gradual fee on fossil fuels and returning the revenue directly to Hawai'i residents through a refundable carbon cashback, the policy protects lower income families and makes the transition to clean energy fair and affordable.

Reestablishing the Agricultural Development and Food Security Special Fund is also critical for strengthening Hawai'i's resilience and local food systems.

As a junior at Iolani school who's family immigrated to Hawaii I've learnt to appreciate and be grateful for the beautiful view and the clean air. Although Hawaii isn't critically affected by climate change we need to prevent it. We need to keep the things Hawaii's offer and cherish it.

Climate change is already affecting Hawai'i, and urgent, practical solutions are needed. SB2332 is an efficient and equitable step forward that benefits our people, our economy, and our future.

Mahalo for the opportunity to testify in support.

Sincerely

Henrik Huang

**SB-2332**

Submitted on: 2/3/2026 1:17:36 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Bevin Parker-Evans	Individual	Support	Written Testimony Only

Comments:

Dear Senate Committee on Agriculture and Environment:

I am a citizen of Kaua'i and I stand in strong support for bill SB2332 Named CARBON CASHBACK BILL: Not only does this bill reduce fossil fuel imports and climate pollution, but it stands to make Hawai'i even more energy independent. It will also benefit lower-income people and families, but most importantly, it stands up to reestablish the Agricultural Development and Food Security Fund.

I would love to personally see Hawai'i incentivize businesses and individuals to use less fossil fuel which is definitely creating chaos and havioc in our country and especially on our very small islands. These funds will be used to fund climate support businesses and individuals and also will help to protect lower-income families.

By decreasing our dependence on fossil fuels in Hawwii it will also decrease our vulnerability to the global market price increases. This should help our Kama'aina make the transition because this bill will help us achieve these goals with equitability and efficiency and the Carbon Cashback bill is great for our economy. This bill also supports our urgent need for action against climate change in Hawai'i.

Thank you for voting to support this bill. Your citizens will support you if you also support them and their environmental and economical bills like SB2332.

Mahalo,

Bevin Parker-Evans, individual testimony from the Island of Kaua'i

3721 Omao Rd, Koloa, 96756

**SB-2332**

Submitted on: 2/3/2026 1:19:10 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

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

## Comments:

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment

Thank you for your attention for this bill. I strongly support this bill because it reduces climate pollution and increases Hawai'i's energy independence while financially helping vulnerable kama'aina families.

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

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

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

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

Mahalo!

Rachel t Bernstein

honolulu, hi

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment

I strongly support SB2332 because it would reduce climate pollution and increase Hawai'i's energy independence while financially helping vulnerable kama'aina families. Studies *have shown that* Carbon cashback would benefit low- and middle-income households and the Hawai'i Tax Review Commission's top recommendation in its final report for the 2020-2022 legislature was a carbon tax for Hawai'i.

Carbon taxes or similar emissions pricing initiatives have been implemented in over 50 jurisdictions worldwide. This carbon cashback bill for Hawai'i, SB2332, places a gradually rising carbon fee on fossil fuels, incentivizing businesses and individuals to use less fossil fuels, the emissions from which are warming the Earth and creating climate havoc in Hawai'i and globally.

Urgent effective action on climate change is needed to maintain the livability of our planet. In Hawai'i, we are seeing many terrible results of climate change which we cannot ignore. Without correcting our course, I expect our lives will rapidly go downhill as we experience increasingly bad storms, floods, heat waves, wildfires, and droughts, and other effects as greenhouse gases increase. The increasing global heat is rapidly melting polar ice and the increased ocean acidity from carbon dioxide will continue to ruin our reefs. The combined effects will speed up coastal erosion and destroy life in our oceans. Meanwhile we can expect more avian malaria and other deadly diseases that are killing wildlife like the birds in our mountains and other mosquito-borne diseases that may kill you and me. Life will be increasingly difficult, and we will go broke trying to replace buildings, roads, and other infrastructure.

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

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

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

Mahalo!

Charles E Cox, Honolulu

**SB-2332**

Submitted on: 2/3/2026 2:22:13 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Gina Kim	Individual	Support	Written Testimony Only

## Comments:

Thank you for the opportunity to testify in support of SB2332, which seeks to benefit numerous sectors: economic, environmental, and agricultural, and more in our state through a constructive and sustainable approach.

As a high school boarding student who is originally from Korea, this bill is important to me in that I believe in creating real impact through daily decisions. As I first settled in, as much as I appreciated the beautiful nature and islands, I also noticed the various issues the state faces contrary to the overly idealized image of “paradise.” Frankly, I only came to understand that Hawai‘i is where people actually live, find joy, struggle, and make daily decisions as I came here. In that sense, I believe in creating change in everyday choices—the very aspect I overlooked when I was so oblivious of this place.

In that spirit, carbon cashback is one of the most applicable climate policies with direct impact in our daily lives. SB2332 addresses some of the most crucial issues in our state through increasing the tax rate of environmental response, energy, carbon emissions, and food security, while returning the revenue back to the state in the form of refundable income tax credit for the people and reinvesting in local agriculture and food security.

Because the bill raises the tax rate gradually over time, it encourages a smoother transition to clean energy with relatively less side effects. The cost of living is another serious concern in the state; because the revenue directly goes back to the people as refundable tax credit, it helps mitigate the financial burden, especially for lower-income households; the bill in fact aims to provide a net financial benefit to most of them. In other words, while leading Hawai‘i towards a sustainable future, it also ensures that most families benefit, if not are protected in the process.

Another aspect of this bill is to reenact the agricultural development and food security fund. It is already widely known that food insecurity is one of the most long-lasting and significant issues locally, and if more investments are to be made, with grants to farmers and in areas such as research, irrigation, and local food marketing, there is hope to see improvements in the status quo.

At a time with much uncertainty in federal support and the accelerating impact of climate change, respectfully, it is crucial that the state legislature supports bills that ensure sustainability for the future generation, food security for public health and the environment, and the economy for the well-being of all. As a foreigner, an aspect I genuinely look up to about Hawai‘i’s

policies is in its dedication to protecting the lands, waters, and air, such as the state's zero emissions clean economy target, and I hope to see Hawai'i continuing to be an avid advocate for the environment.

Thank you again for this opportunity and for your support in the well-being of present and future generations. I respectfully urge the Committee to pass this bill.

Sincerely,

Gina Kim

Aloha Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment

**I strongly support SB 2332** because it reduces climate pollution and increases Hawai'i's energy independence while financially helping vulnerable kama'aina families. Urgent, effective action on climate change is needed to maintain the livability of Hawai'i and of our planet.

This bill places a gradually rising carbon fee on fossil fuels, incentivizing businesses and individuals to use fewer fossil fuels, the emissions from which are warming the Earth and creating climate havoc in Hawai'i and globally.

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

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

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

Mahalo!

Robert Pearsall

Honolulu, HI

Former Hawai'i State Senate staffer

**SB-2332**

Submitted on: 2/3/2026 2:37:31 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Marc Yoo	Individual	Support	Written Testimony Only

## Comments:

Aloha Chair Gabbard, Vice Chair Richards, and Members of the Committee on Agriculture and Environment,

Thank you for the opportunity to testify in strong support of Senate Bill 2332, the Carbon Cashback bill.

I am a sophomore in high school, and I am here today because climate policy is not an ignorable issue for our generation. It directly affects our health, our future, and the communities we grow up in. SB2332 represents a meaningful step toward reducing greenhouse gas emissions while protecting the financial stability of Hawai‘i residents.

Growing up in a heavily polluted city, Seoul, has personally impacted my health. Exposure to air pollution from the burning of fossil fuels has significantly worsened my rhinitis, and I know many other children who suffer from similar climate-driven health conditions. Through my experience and many others with climate-driven illness, it is important for us to make a better environment for the youth to live in.

The Carbon Cashback bill offers a balanced and clear solution. By reducing Hawai‘i's reliance on imported fossil fuels and encouraging a transition toward cleaner, renewable energy, SB2332 can lower emissions while also returning value to residents. Importantly, this policy helps ensure that lower- and middle-income households are not burdened, but instead can benefit economically from climate action.

As young people, we will inherit the outcomes of today’s policy decisions. Passing SB2332 will protect public health, support lives of families, and invest in a more sustainable future for the next generation

Thank you for your leadership and for valuing youth voices in climate policy. I respectfully urge the Committee to pass SB2332.

Sincerely,

Marc Yoo

Youth Leader of Hawai‘i Climate Future Forum



TESTIMONY  
by JoAnn A. Yukimura  
Before the Committee on Agriculture and Environment  
Re SB 2332  
February 4, 2026

Chair Gabbard, Vice Chair Richards and Committee Members:

Mahalo for this opportunity to testify.

I urge you to approve SB 2332 and pass it out of your committee. It is the most important bill before the Legislature this year because it addresses the main cause of global warming which threatens everything we love about life in Hawai'i and in the world.

**Senate Bill 2332 has two basic thrusts:**

First, It puts a fee on all fossil fuels coming into the State of Hawai'i. This will more accurately reflect the true costs<sup>1</sup> of fossil fuel use in society. By incorporating these costs into the market price of fossil fuels, goods and services using fossil fuels will become more expensive compared to goods and services provided with clean and renewable energy. Without regulation or mandates, consumers will naturally gravitate to the more affordable goods and services--those provided with clean and renewable energy. This will lower Hawai'i's greenhouse gas emissions and move us toward greater energy independence.

Second, the moneys generated by the fee on fossil fuels will be progressively returned in a flat dollar amount to each resident of the State of Hawai'i. According to UHERO, for low- and moderate-income families, including ALICE families, this additional annual cash will cover any increases in cost of living due to the carbon fee. Should the families choose to spend money for additional savings, many households, by practicing wise budgeting, will have left over money to invest in electric cars or energy efficient appliances or habits (e.g., using transit rather than a car) that will save money year after year.

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<sup>1</sup> Pollution; destruction of natural environments and habitats (due to excavation, drilling, fracking and spills); more intense and more frequent natural disasters and their resulting costs; inflation due to failing crops and rising insurance risk, health costs and loss of life.

**The fee on fossil fuels is not a tax in the conventional sense; it is, instead, a price correction.**

It will not be used for government services or programs that could potentially expand government. Instead, it will be returned the citizenry. Like the federal COVID payments, these annual payments will stimulate the economy. For the low and moderate income families, it will cover any increased costs due to the carbon fee, and it will give families some wherewithal to begin to wean their households from fossil fuels.

**Carbon pricing (the proposed fee is one form of carbon pricing) has been found to be one of the most effective ways to reduce greenhouse gases.**

In a [study](#) of 41 countries and 1500 climate policies, carbon pricing, was found to be effective in significantly reducing greenhouse gases.

Economists love this elegant policy because achieves its purpose without mandates or regulations, and its impacts are economy-wide.

In the [largest public statement of economists in history](#), over 3600 U.S. economists, including 4 former chairs of the Federal Reserve, 28 Nobel laureates and 15 former chairs of the Council of Economic Advisers, support the carbon dividend policy. Included among the original signers are George Schulz, Janet Yellin, Ben Bernanke, and Alan Greenspan.

**The Carbon Cashback policy embodied in SB 2332 is the only climate mitigation policy I know of so far that addresses the issue of equity.**

Concern is often expressed that low and moderate income families will be hurt the most, not only by Climate Change impacts, but also by climate mitigation strategies. Indeed, the carbon fee will raise prices on fossil fuel-based goods and services for all families. By returning the cashback or dividend to all households in a progressive framework, SB 2332 supports low and moderate income families in making a smooth transition to a household and a world free of fossil fuels.

Please approve SB 2332 and send it out of committee. Mahalo.



**SB-2332**

Submitted on: 2/3/2026 8:09:54 PM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ava Aipoalani	Individual	Support	Written Testimony Only

## Comments:

Aloha e Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture and Environment,

I strongly support SB2332 because it reduces climate pollution and increases Hawai'i's energy independence while financially helping vulnerable kama'āina families.

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

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

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

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

Mahalo,

Ava Aipoalani

Kapolei, O'ahu

**SB-2332**

Submitted on: 2/4/2026 8:52:52 AM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nate Hix	Individual	Support	Written Testimony Only

Comments:

We must do everything we can to limit carbon emissions. This is the most cost effective way to mitigate our carbon emissions. It also financially helps low-income families. Please pass this bill.

**SB-2332**

Submitted on: 2/4/2026 12:38:10 AM

Testimony for AEN on 2/4/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Michelle R Stefanik	Individual	Oppose	Written Testimony Only

## Comments:

I oppose this bill - NO NEW TAXES! We need the cost of living to decrease before any new taxes are created or reestablished. I also do not want any funds appropriated for this. Cut this from the budget, or don't add it to the budget, so that you can lower taxes and not "Pause" the already approved tax cuts. Please vote NO.

*“If there’s a single central insight in economics, it’s this: There are mutual gains from transactions between consenting adults. If the going price of widgets is \$10 and I buy a widget, it must be because that widget is worth more than \$10 to me. If you sell a widget at that price, it must be because it costs you less than \$10 to make it. So buying and selling in the widget market works to the benefit of both buyers and sellers...*

*...But what if a deal between consenting adults imposes costs on people who are not part of the exchange? What if you manufacture a widget and I buy it, to our mutual benefit, but the process of producing that widget involves dumping toxic sludge into other people’s drinking water? When there are “negative externalities” — costs that economic actors impose on others without paying a price for their actions — any presumption that the market economy, left to its own devices, will do the right thing goes out the window. So what should we do? Environmental economics is all about answering that question.”*

—Paul Krugman, “Building a Green Economy” *New York Times Magazine*, April 7, 2010 ([gift link](#))

Chair, Vice Chair, and Members of the Committee:

I teach environmental economics at the University of Hawai‘i and highly recommend the article above by Paul Krugman. It’s a bit dated, but it still does an exceptional job of explaining the logic of a carbon tax. Because nearly every good and service we consume generates greenhouse gas emissions—and because decisions made at each stage of the supply chain affect all others—it is extraordinarily difficult, if not impossible, to steer a modern, complex economy toward deep emissions reductions without explicitly putting a price on greenhouse gas pollution.

Some things have changed since Krugman wrote that article. We now understand that the impacts of climate change are likely far worse, and the costs of reducing emissions far lower, than previously believed. Indeed, eliminating emissions from Hawai‘i’s electricity sector should *reduce* electricity prices relative to today. My colleagues and I [estimate](#) that a roughly 90% clean electricity system would be the least-cost option even without a price on CO<sub>2</sub> emissions. Yet regulatory and institutional inertia have slowed this transition. A carbon tax would help overcome those barriers.

It is also important to emphasize what is distinctive about this particular piece of legislation. Hawai‘i’s cash-back carbon tax is likely to benefit an overwhelming majority

of Hawai'i residents—even before accounting for the environmental and health benefits. The excellent report by [Bernstein et al.](#) provides a useful first-order estimate of these effects, but it almost certainly understates the benefits to residents. For computational convenience, the analysis assumes a perfectly competitive economy, which does not reflect Hawai'i's actual market structure.

Many of the state's largest energy consumers—airlines, hotels, and tourist-oriented retail—possess significant market power and are therefore likely to absorb a substantial share of the cost increases associated with a carbon tax. Because both the owners of these businesses and the tourists they serve largely reside outside Hawai'i, much of the tax burden will fall on non-residents rather than local households. All of the revenue, however, will be returned directly to the people of Hawai'i.

The same logic applies to fossil fuels themselves. All are imported, and shipping and refining are highly concentrated (with a single refinery), suggesting significant pricing power. These firms are therefore likely to absorb a larger share of the tax burden than assumed in a competitive equilibrium model. How large is this effect? It's difficult to say—economies are complex, and these parameters are hard to measure—but for that reason, I view the Bernstein et al. results as highly conservative.

Hawai'i's cash-back carbon tax is good for the climate and good for Hawai'i. It is a rare policy that aligns economic efficiency, equity, and environmental responsibility. The only parties likely to be harmed are the very wealthy and powerful—most of whom reside outside the state. Do the right thing. Vote yes.

Mahalo nui loa for your consideration,

A handwritten signature in black ink that reads "Michael J. Roberts". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Michael Roberts

Professor

Economics, Sea Grant, UHERO