
HOUSE CONCURRENT RESOLUTION

REQUESTING THE TAX REVIEW COMMISSION TO STUDY AND SUBMIT A
REPORT ON THE TAX RAMIFICATIONS OF ENACTING LEGISLATION
THAT ADDRESSES CLIMATE CHANGE MITIGATION AND ADAPTATION
FACTORS IN HAWAII.

1 WHEREAS, global warming has been proven to cause various
2 climate change impacts, including, but not limited to, rising
3 sea levels, rising ocean temperatures, an increase in the number
4 and intensity of violent tropical storms, and increasing ocean
5 acidification; and

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7 WHEREAS, the State of Hawaii is especially vulnerable to
8 rising sea levels, especially the physical and economic losses
9 associated with rising sea levels; and

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11 WHEREAS, climate scientists generally agree that the
12 primary cause of climate change is the emission of carbon
13 dioxide from the combustion of fossil fuels; and

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15 WHEREAS, the Hawaii Climate Change Mitigation and
16 Adaptation Commission has stated that the single most effective
17 means of reducing greenhouse gas emissions is to put a price on
18 carbon; and

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20 WHEREAS, addressing the need for mitigation of and
21 adaptation to certain adverse impacts of climate change will
22 require the Legislature to enact various measures, some of which
23 may or will involve the imposition of new taxes and others of
24 which may or will have ramifications for individuals,
25 businesses, or other entities under the State's tax laws as they
26 now exist or may be revised; now, therefore,

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28 BE IT RESOLVED by the House of Representatives of the
29 Thirtieth Legislature of the State of Hawaii, Regular Session of
30 2020, the Senate concurring, that the Tax Review Commission



1 conduct a study on the tax ramifications of enacting
2 legislation, which addresses the impacts of climate change; and

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4 BE IT FURTHER RESOLVED that the study address:

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6 (1) Any provisions of existing state law by which a
7 business entity, if subject to a carbon tax, would be
8 able to deduct any taxes paid under the carbon tax as
9 a business expense;

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11 (2) Any unintended consequences of utilizing the framework
12 of the barrel tax to impose a carbon tax, assuming the
13 current level of revenues allocated to various special
14 funds under the existing barrel tax are maintained;

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16 (3) Any unintended effects, advantages, and disadvantages
17 to enacting a carbon tax to disincentivize the use of
18 fossil fuels, if a portion of the revenue from such a
19 tax is used to fund actions to mitigate climate
20 change;

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22 (4) Any relative advantages or disadvantages of enacting
23 various options to offset the regressive nature of a
24 carbon tax, including, but not limited to, a
25 refundable income tax credit to taxpayers with
26 household incomes below the median level; a refundable
27 income tax credit to taxpayers with household incomes
28 below the median level that increases as the household
29 incomes of the taxpayers decrease; or a "dividend"
30 payment to residents of the State over 18 years old;
31 and

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33 (5) Whether the effectiveness of a carbon tax would be
34 diminished by "refunding" some or all the revenue to
35 individual taxpayers or residents through a tax credit
36 or a dividend payment; and

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38 BE IT FURTHER RESOLVED that the Tax Review Commission may
39 contract the services of a consultant to complete the study; and

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41 BE IT FURTHER RESOLVED that the Tax Review Commission is
42 requested to submit a report of its findings and



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1 recommendations, including any proposed legislation, to the
2 Legislature no later than forty days prior to the convening of
3 the Regular Session of 2021; and

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5 BE IT FURTHER RESOLVED that certified copies of this
6 Concurrent Resolution be transmitted to the Director of the
7 Department of Taxation, Chairperson of Hawaii Tax Review
8 Commission, and Chairperson of Hawaii Climate Change Mitigation
9 and Adaptation Commission.

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OFFERED BY: *Nicole E. Lowen*

MAR 06 2020

