

MAR - 6 2020

SENATE 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

19
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 Senate of the Thirtieth Legislature
29 of the State of Hawaii, Regular Session of 2020, that the Tax
30 Review Commission conduct a study on the tax ramifications of
31 enacting legislation, which addresses the impacts of climate
32 change; and

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34 BE IT FURTHER RESOLVED that the study address:



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2 (1) Any provisions of existing state law by which a
3 business entity, if subject to a carbon tax, would be
4 able to deduct any taxes paid under the carbon tax as
5 a business expense;
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- 7 (2) Any unintended consequences of utilizing the framework
8 of the barrel tax to impose a carbon tax, assuming the
9 current level of revenues allocated to various special
10 funds under the existing barrel tax are maintained;
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- 12 (3) Any unintended effects, advantages, and disadvantages
13 to enacting a carbon tax to disincentivize the use of
14 fossil fuels, if a portion of the revenue from such a
15 tax is used to fund actions to mitigate climate
16 change;
17
- 18 (4) Any relative advantages or disadvantages of enacting
19 various options to offset the regressive nature of a
20 carbon tax, including, but not limited to, a
21 refundable income tax credit to taxpayers with
22 household incomes below the median level; a refundable
23 income tax credit to taxpayers with household incomes
24 below the median level that increases as the household
25 incomes of the taxpayers decrease; or a "dividend"
26 payment to residents of the State over 18 years old;
27 and
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- 29 (5) Whether the effectiveness of a carbon tax would be
30 diminished by "refunding" some or all the revenue to
31 individual taxpayers or residents through a tax credit
32 or a dividend payment; and
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34 BE IT FURTHER RESOLVED that the Tax Review Commission may
35 contract the services of a consultant to complete the study; and
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37 BE IT FURTHER RESOLVED that the Tax Review Commission is
38 requested to submit a report of its findings and
39 recommendations, including any proposed legislation, to the
40 Legislature no later than forty days prior to the convening of
41 the Regular Session of 2021; and
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1 BE IT FURTHER RESOLVED that certified copies of this
2 Resolution be transmitted to the Director of the Department of
3 Taxation, Chairperson of Hawaii Tax Review Commission, and
4 Chairperson of Hawaii Climate Change Mitigation and Adaptation
5 Commission.
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OFFERED BY: Kal Rhoak

