

**STATE OF HAWAII
HAWAII CLIMATE CHANGE MITIGATION & ADAPTATION
COMMISSION
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Director, Maui DP
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The Adjutant General
Manager, CZM

**Testimony of
Leah Laramee
Coordinator, Hawaii Climate Change Mitigation and Adaptation Commission**

**Before the Senate Committees on
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
AND
AGRICULTURE AND ENVIRONMENT**

**Tuesday January 30, 2024
1:01 PM
State Capitol, Via Videoconference, Conference Room 229**

**In support of
SENATE Bill 2525
RELATING TO TAXATION**

Senate Bill 2525 amends the environmental response, energy, and food security tax to address carbon emissions and incrementally increases the tax rate over time. This bill also establishes a refundable tax credit to mitigate the effect of a carbon emissions tax on taxpayers. **The Hawaii Climate Change Mitigation and Adaptation Commission (Commission) supports this measure.**

The Commission is a multi-jurisdictional effort between 20 different State and county departments, and Legislative committees. The Commission believes that putting a price on carbon is the most effective single action that will achieve Hawaii's ambitious and necessary emissions reduction goals. This is supported by various expert organizations, including the International Monetary Fund, the Inter-Governmental Panel on Climate Change, and Hawaii's Transportation Energy Analysis (2015). This bill aims to establish a price on carbon dioxide (CO2) that reflects the full cost of using CO2 producing fuels to discourage behavior that is expensive to life, property and nature.

Moreover, this bill addresses the inequity of climate change, which disproportionately impacts low-income families and people of color, by providing a climate equity payout. While this bill does establish a tax, under this bill, for low to middle-income families the amount received from the climate equity payout would typically be more than the amount they would need to pay for the tax.

To minimize the impacts on low- to middle-income families, the Commission respectfully recommends that the payout be given out the tax year *before* the tax goes into effect as to provide these families with a cushion and eliminate the need for them to pay out of pocket.

Jurisdictions worried about what effects carbon pricing has on their economies look again to British Columbia (BC). According to a Nicholas Institute 2015 paper:

- Empirical and simulation models suggest that the tax has reduced emissions in the province by 5–15%;
- At the same time, models show that the tax has had negligible effects on aggregate economic performance, though certain emissions-intensive sectors have faced challenges;
- Studies differ on the effects of the policy on income distribution but agree that they are relatively small; and
- Polling data show that the public initially opposed the tax but now generally supports it.

However, although one of the longest running carbon tax experiments, BC's example more recently shows that a carbon tax will have to be much higher than its intent to go as high as \$50 per metric ton of CO₂ to achieve climate goals. According to one source, "while BC's emissions are lower than they would have been without the carbon tax, the fact they have only levelled off underscores that either a higher carbon price or more aggressive complementary measures are needed to achieve the absolute reductions in emissions."

Climate change impacts are being felt in Hawai'i now, and all science-based projections indicate they will continue to worsen. These impacts will be felt disproportionately by the vulnerable low-income communities, and life will get more expensive and worse for them if nothing is done to address these inequities. This measure is the most effective tool in a suite of policy tools that need to be undertaken and is one that would address much needed equity and regressivity issues that already exist in Hawai'i. Putting a structure in place now would not only acknowledge the deep crisis that we are in, but take effective action to address the crisis, and make things right for those who need it most, especially post-pandemic.

Mahalo for the opportunity to testify in support of this measure.



JOSH GREEN, M.D.
GOVERNOR

GWEN S. YAMAMOTO LAU
EXECUTIVE DIRECTOR

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Testimony of
Gwen Yamamoto Lau
Executive Director
Hawaii Green Infrastructure Authority
before the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, & TOURISM
and the
SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT
Tuesday, January 30, 2024, 1:01PM
State Capitol, Conference Room 229
in consideration of
SENATE BILL NO. 2525
RELATING TO TAXATION.

Chairs DeCoite and Gabbard, Vice Chairs Wakai and Richards, and Members of the Energy, Economic Development & Tourism and Agriculture & Environment Committees:

Thank you for the opportunity to testify and provide comments on Senate Bill No.2525, relating to taxation. The Hawai'i Green Infrastructure Authority (HGIA) **supports** this bill which amends the environmental response, energy, and food security tax to include carbon emissions as a consideration, incrementally increases the tax rate over time, and establishes a refundable tax credit to mitigate the impact of the amended tax on taxpayers.

HGIA, Hawaii's Green Bank, works to advance the State's goal of a 100% renewable portfolio standard in energy production through decarbonization and promoting resilient, climate-ready energy. Creating a mechanism to price carbon will incentivize market costs that more accurately reflect the harms to humans and nature posed by carbon emitted during energy generation, transportation, production and more. The positive environmental and economic impacts of a carbon tax are substantiated by data from the International Monetary Fund, the Inter-Governmental Panel on Climate Change, and Hawai'i's Transportation Energy Analysis (2015). This bill is instrumental in catalyzing the economic transition needed to achieve statewide green initiatives and maintaining Hawaii's position as a leader in environmental policy.

This bill also supports HGIA's commitment to a just and equitable clean energy transition. Low-income families and families of color are both disproportionately impacted by climate change and statistically more like to face higher energy burdens. However, the tax credit proposed by this bill will be a win-win for both disadvantaged families and the environment, as it will allowing for Hawaii residents to enjoy the benefits of a cleaner economy, without regressively placing additional burdens on low- and middle-income families.

Thank you for this opportunity to testify and provide comments on Senate Bill No. 2525.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-SECOND LEGISLATURE, 2024**

ON THE FOLLOWING MEASURE:
S.B. NO. 2525, RELATING TO TAXATION.

BEFORE THE:
SENATE COMMITTEES ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
AND ON AGRICULTURE AND ENVIRONMENT

DATE: Tuesday, January 30, 2024 **TIME:** 1:01 p.m.

LOCATION: State Capitol, Room 229 and Videoconference

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Janine R. Udoi, Deputy Attorney General

Chairs DeCoite and Gabbard and Members of the Committees:

The Department of the Attorney General has concerns regarding this bill and provides the following comments.

The bill's preamble provides that the goal of the Act is "to reduce Hawaii's greenhouse gas emissions . . . and to provide financial relief in a progressive manner to the residents of the State." See section 1, page 1, lines 1-5. To achieve this goal, the bill utilizes (i) the environmental response, energy, and food security tax ("carbon emissions tax") to reduce greenhouse gas emissions, and (ii) a refundable tax credit for residents of the State. See section 1, page 1, lines 5-13. The bill cites to a 2021 University of Hawaii Economic Research Organization study, which "concluded that a carbon tax and dividend policy would substantially reduce the consumption of fossil fuels, and most of Hawaii's households would receive a net financial benefit, with lower-income households gaining the most." See section 1, page 4, lines 1-8. In light of this, the bill increases the carbon emissions tax and gives to resident taxpayers of the State a refundable tax credit, in "a total amount equivalent to the expected carbon emissions tax revenue(s)" less certain administrative and public awareness costs. See section 1, page 5, lines 15-20. The preamble goes on to recognize that the carbon emissions tax applies to "distributors" of fossil fuels, and that the tax increase would be passed on in the form of increased prices to (1) residents, (2) visitors, and (3) out-of-state consumers

of products exported from the State. See section 1, page 6, lines 15-21, and page 7, line 1. The preamble provides that the impact of the increased prices would be felt by residents as increases in their day-to-day cost of living, whereas "[t]his Act will cause no increases in the day-to-day costs of living for . . . nonresidents of the State." See section 1, page 7, lines 1-4, and lines 11-14. Based on this, "the legislature finds it necessary to provide tax credits only to resident taxpayers of the State." See section 1, page 7, lines 14-15.

The carbon cashback tax credit created by this bill is available to resident taxpayers but not to nonresident taxpayers. More specifically, only a "qualifying resident taxpayer" is eligible to receive a carbon cashback tax credit. See section 3, page 9, lines 4-9. A "qualifying resident taxpayer" under this bill is defined in part, in section 3, page 15, lines 4-9, as follows:

(f) As used in this section, "qualifying resident taxpayer" means an individual taxpayer who has been a resident of the State, as defined in section 235-1, Hawaii Revised Statutes, for at least nine months of the taxable year, regardless of whether the qualifying resident was physically in the State for nine months.

Therefore, the tax credit will be available to resident taxpayers, but not to nonresident taxpayers. As such, this bill may be subject to challenge under the Privileges and Immunities Clause of the United States Constitution.

"The Privileges and Immunities Clause, U.S. Const., art. IV, § 2, provides that the Citizens of each State shall be entitled to all Privileges and Immunities of Citizens in the several states." Lunding v. New York Tax Appeals Tribunal, 522 U.S. 287, 290 (1998) (internal brackets and quotation marks omitted). The Privileges and Immunities Clause "prohibits a State from denying nonresidents a general tax exemption provided to residents." Id. at 302. The Clause requires "substantial equality of treatment" for resident and nonresident taxpayers, such that "[w]here nonresidents are subject to different treatment, there must be 'reasonable grounds for . . . diversity of treatment.'" id. at 298 (quoting Travis v. Yale & Towne Mfg. Co., 252 U.S. 60, 79(1920)). Thus, "the Privileges and Immunities Clause bars 'discrimination against citizens of other States where there is no substantial reason for the discrimination beyond the mere fact that

they are citizens of other States." Id. (quoting Toomer v. Witsell, 334 U.S. 385, 396 (1948)). Accordingly, to overcome a challenge under the Privileges and Immunities Clause to a law that distinguishes between residents and nonresidents, a state must demonstrate that (1) "there is a substantial reason for the difference in treatment"; and (2) "the discrimination practiced against nonresidents bears a substantial relationship to the State's objective." Id. (quoting Supreme Court of N.H. v. Piper, 470 U.S. 274, 284 (1985)) (internal quotations omitted).

The U.S. Supreme Court has struck down a taxing scheme that only impacted nonresidents noting: "[t]he overwhelming fact, as the State concedes, is that the tax falls exclusively on the income of nonresidents; and it is not offset even approximately by other taxes imposed upon residents alone." Austin v. New Hampshire, 420 U.S. 656, 665, 95 S. Ct. 1191, 1197 (1975). Here, the fuel tax imposed by this bill, and any subsequent increase in prices, impacts residents and nonresidents equally. The income tax credit intended to mitigate the effects of the increase in the fuel tax will only be available to resident taxpayers and not to nonresident taxpayers. The stated reasoning for this difference is that "[t]his Act will cause no increases in the day-to-day costs of living for . . . nonresidents of the State", but residents will feel the impact of the increased prices as increases in their day-to-day cost of living. See section 1, page 7, lines 1-4, and lines 11-14. The same increase in prices, however, applies to both residents and nonresidents; it is not clear how nonresidents taxpayers living in the State would not also be subject to the same increased costs as resident taxpayers resulting from the increase in the fuel tax.

Therefore, there does not seem to be a substantial reason for the difference in the treatment between a resident and nonresident with respect to qualifying for the tax credit. Moreover, it is not clear the discrimination practiced against nonresidents bears a substantial relationship to the bill's goal to reduce Hawaii's greenhouse emissions in furtherance of the States's zero emissions clean economy target and to provide financial relief to the residents of the State. See section 1, page 1, lines 1-5. For these reasons, the bill may be subject to challenge under the Privileges and Immunities Clause.

Based on the foregoing, we respectfully ask that this concern be addressed by removing the word "resident" in certain sections of the bill. In section 1, page 5, line 16, we recommend amending "resident taxpayers" to read "[resident] taxpayers," and on page 5, line 20, amending "individual resident taxpayer" to read "individual [resident] taxpayer". Similarly, we recommend removing portions of the preamble, from section 1, page 7, line 1, beginning with the sentence "Most of the. . .", through line 15, in order to remove the stated preference for residents over nonresidents. With respect to the carbon cashback tax credit, in section 3, page 9, line 5, of the bill, we recommend amending "qualifying resident taxpayer" to "qualifying [resident] taxpayer". Finally, we recommend amending the definition of "qualifying resident taxpayer" in section 3, page 15, lines 4-12, to a definition for a "qualifying [resident] taxpayer" as follows

(f) As used in this section, "qualifying [resident] taxpayer" means ~~[an individual taxpayer who has been a resident of the State, as defined in section 235-1, Hawaii Revised Statutes, for at least nine months of the taxable year, regardless of whether the qualifying resident was physically in the State for nine months.]~~ a person subject to the taxes imposed by this chapter. "Qualifying [resident] taxpayer" shall 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.

These changes to remove references to the word "resident" would address the possible Privileges and Immunities Clause challenges.

Thank you for the opportunity to provide comments.

JOSH GREEN M.D.
GOVERNOR

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

TESTIMONY ON THE FOLLOWING MEASURE:

S.B. No. 2525, Relating to Taxation

BEFORE THE:

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

DATE: Tuesday, January 30, 2024

TIME: 1:01 p.m.

LOCATION: State Capitol, Room 229

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

The Department of Taxation ("Department") offers the following comments regarding S.B. 2525 for your consideration.

S.B. 2525 makes several changes to title 14, Hawaii Revised Statutes (HRS), including: creating a new carbon emissions tax and dividend special fund administered by the Department in chapter 231, HRS; creating a new refundable carbon cashback income tax credit in chapter 235, HRS, and increasing the environmental response, energy, and food security tax (also known as the "fuel tax") in section 243-3.5, HRS, as a way to reduce the consumption of petroleum products and fossil fuels in order to reduce greenhouse gas emissions.

The new carbon emissions tax and dividend special fund in chapter 231, HRS, would receive deposits from the increased fuel tax. The Department would be charged with administering the fund to administer the fuel tax, the new income tax credits established by this bill, and to increase public awareness in said new income tax credits.

The value of the new refundable tax credit will be equal to the sum of one prescribed amount based on the qualified resident taxpayer's filing status ((1)(A), (1)(B), or (1)(C)), added to a second amount, with the second amount determined by multiplying a different prescribed amount ((2)) by the number of dependents claimed by the taxpayer. These amounts are set to increase annually from tax year 2025 to tax year 2040, and then to slightly decrease annually between tax year 2040 and tax year 2045, as follows:

Tax Year	(1)(A) Single or Married Filing Separately	(1)(B) Head of Household	(1)(C) Joint Return or Surviving Spouses	(2) Amount Per Dependent Claimed
2025	\$36	\$36	\$72	\$18
26	\$73	\$73	\$146	\$37
27	\$146	\$146	\$292	\$73
28	\$218	\$218	\$436	\$109
29	\$289	\$289	\$578	\$145
30	\$360	\$360	\$720	\$180
31	\$425	\$425	\$850	\$213
32	\$488	\$488	\$976	\$244
33	\$548	\$548	\$1,096	\$274
34	\$607	\$607	\$1,214	\$303
35	\$616	\$616	\$1,232	\$308
36	\$624	\$624	\$1,248	\$312
37	\$630	\$630	\$1,260	\$315
38	\$636	\$636	\$1,272	\$318
39	\$641	\$641	\$1,282	\$321
40	\$646	\$646	\$1,292	\$323

41	\$633	\$633	\$1,266	\$316
42	\$618	\$618	\$1,236	\$309
43	\$602	\$602	\$1,204	\$301
44	\$584	\$584	\$1,168	\$292
45	\$565	\$565	\$1,130	\$283

Under this measure, the tax on each barrel or fractional part of a barrel of petroleum product will increase annually as follows:

Tax Year	Rate
2025	\$3.15
2026	\$5.25
2027	\$9.45
2028	\$13.65
2029	\$17.85
2030	\$22.05
2031	\$26.25
2032	\$30.45
2033	\$34.65
2034	\$38.85
2035	\$40.11

The measure also imposes an annual increase to the fuel tax's imposition "on each one million British thermal units of fossil fuel sold by a distributor to any retail dealer or end user, other than a refiner, as follows:

Tax Year	Rate
2025	\$0.49
2026	\$0.79
2027	\$1.39
2028	\$1.99
2029	\$2.59
2030	\$3.19
2031	\$3.79
2032	\$4.39
2033	\$4.99
2034	\$5.59
2035	\$5.77

The fuel tax's prescribed deposit amounts into various special funds would also change from a set number of cents per barrel to a flat dollar amount with a set priority of distribution, including the annual deposit of \$1,000,000 to the new carbon emissions tax and dividend special fund.

S.B.2525 would also impose a requirement for the Department to submit annual reports to the legislature detailing information about the carbon cashback program, including revenues from the new income tax credit and the fuel tax. The report must also "include any information necessary for the legislature to assess the need to adjust the amounts of the refundable tax credits in future years." The measure states that it is effective upon approval, "provided that sections 3 and 6 shall take effect on January 1, 2025, and apply to taxable years beginning after December 31, 2024."

First, with respect to the new refundable income tax credit created in section 3 of the bill, the Department notes that it generally prefers credits be made nonrefundable, as refundable credits are more susceptible to waste, fraud, and abuse.

Relatedly, rather than establishing a formula to combine different credit amounts

for different filing or dependency statuses, as this bill proposes, it would be much easier for the Department to administer this new tax credit if the credits were issued at a uniform dollar amount "per exemption," irrespective of filing status.

If, however, the amount of the credit will be based on the number of dependents, as the bill currently provides, the Department recommends adding a definition for the term "dependent."

Additionally, the Department notes that there may be an issue with the proposed definition of "qualifying resident taxpayer" which begins on page 15, line 4. Under the measure, that term means "an individual taxpayer who has been a resident of the State, as defined in section 235-1, HRS, for at least nine months of the taxable year." The definition of "resident" in section 235-1, HRS, however contains a presumption that every individual who is in the State for more than 200 days of the taxable year in the aggregate is a resident. This inconsistency in the amount of time required to establish residency for purposes of the new tax credit may cause confusion. Accordingly, the Department recommends amending the definition of "qualifying resident taxpayer" to "an individual taxpayer who has physically resided in the State for more than nine months during the taxable year."

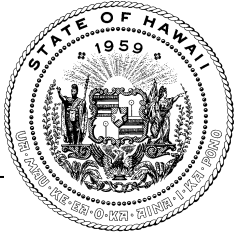
Next, with respect to the bill's changes to the fuel tax, the separate provisions on page 19, lines 7 to 14, require the taxes paid on aviation fuel and small boat fuel to be deposited into their respective special funds established under section 248-8, HRS. This would be very challenging to administer since the Department's system is not currently set-up to do this. Fuel distributors are not currently required to report which portions of taxes paid relate to fuel sales used for airplanes or for small boats versus other uses. The Department requests that the Committee consider amending this bill's changes to subsections 243-3.5(b)(7) and (b)(8), HRS, to either 1) allocate amounts to the special funds through an appropriation from the general fund; 2) make an allocation based on a set dollar amount, as in the preceding subsections; or 3) allocate a percentage of the total amount of fuel tax revenue collected, which could be more easily calculated. These revisions would be much easier to administer, effectuate the same result, and help ensure all tax revenue from the sales of aviation and small boat fuel are appropriately deposited.

As noted, the new carbon emissions tax and dividend special fund in chapter 231, HRS, would receive an annual deposit of \$1,000,000, which shall be used by the Department to administer the environmental response, energy, carbon emissions, and food security tax, the refundable tax credits, and increase public awareness and interest in the refundable tax credits. It is not clear, however, how the Departments may use the funds to administer the tax and credits. The Department suggests that section 2 of the

bill be amended to clarify whether, for example, the Department may use the funds to pay for salaries, contracted services, supplies, and other administrative expenses.

Finally, the Department respectfully requests that the effective date of this bill be amended so that section 3 (carbon cashback tax credit) be applicable to tax years beginning after December 31, 2024, and section 6 (increased tax rates) be effective beginning on January 1, 2025.

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



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Testimony of **MARK B. GLICK, Chief Energy Officer**

before the **SENATE COMMITTEES ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM AND AGRICULTURE AND ENVIRONMENT**

Tuesday, January 30, 2024
1:01 PM
State Capitol, Conference Room 229 and Videoconference

Providing Comments on
SB 2525

RELATING TO TAXATION.

Chairs DeCoite and Gabbard, Vice Chairs Wakai and Richards, and members of the Committees, the Hawai'i State Energy Office (HSEO) provide comments on SB 2525, which 1) amends the environmental response, energy, and food security tax to address carbon emissions. Incrementally increases the tax rate over time; 2) establishes a refundable tax credit to mitigate the effect of a carbon emissions tax on taxpayers; and 3) requires reports to the Legislature.

HSEO's comments are guided by its mission to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient, clean energy, decarbonized economy. Further, HSEO notes, that SB 2525 closely follows the recommendation from the Act 238 (SLH 2022) Report, *Hawai'i Pathways to Decarbonization*¹ which recommended the state legislature modify the barrel tax to increase over time, as lower carbon intensity fuels become commercially available. HSEO notes, that any tax or surcharge to encourage behavior change must include policies to support the availability of cost-effective alternative options. Thus, a portion of

¹ Hawai'i State Energy Office (2023). Hawai'i Pathways to Decarbonization. Report to the 2024 Hawai'i State Legislature, Act 238 (SLH 2022). https://energy.hawaii.gov/wp-content/uploads/2024/01/Act-238_HSEO_Decarbonization_Report.pdf

the surcharge funds should be used for lower-carbon infrastructure development and dividends should directly flow to income-qualifying residents.” The recommendation notes, “A carbon surcharge incentivizes behavioral changes when appropriate enabling infrastructure (e.g. robust transit) is available to residents and visitors.” The report further notes that “Sin taxes” [such as a carbon tax] are regressive and must include protections for low- and moderate-income households. Dividends are viewed by economists as a way to offset the day-to-day cost increases of a carbon surcharge. Due to the carbon footprint of tourism, a carbon surcharge should ensure tourism carries a fair share of the burden.”²

HSEO supports the intent of this bill and notes the use of carbon pricing should only be used as a complement to directed regulatory and programmatic action; the carbon tax should not be construed as a fix-all action to climate action, as infrastructure investment is critical to enabling switches to less carbon-intensive actions and activities. It is critical to recognize that a carbon tax should be designed primarily to disadvantage carbon-intensive activities and should not be used to raise revenues.³

As written, however, HSEO notes the following concerns with SB 2525:

Regarding the cashback component of the bill, HSEO suggests the dividend to taxpayers be computed based on the revenues received from the surcharge rather than a specified dollar amount. Prescribing the dollar amount for each year may not be appropriate and may result in the State owing more money to taxpayers in certain circumstances, particularly if the tax is successful in achieving its objective of substantially reducing fossil fuel demand, which would reduce the amount of funds raised by the surcharge.

HSEO further notes that while prescribing the dollar amount of the dividend lowers the administrative burden, the dividend would be better determined via a formula after the first year. The formula should take total revenues, subtract a dollar value as determined by the tax department for administrative fees and qualifying program fees (e.g. infrastructure development fees), and divide by the number of shares, where the

² Id. Page 8

³ State of Hawai'i Tax Review Commission. (2022). Report of the 2020-2022 Tax Review Commission. https://files.hawaii.gov/tax/stats/trc/docs2022/TRC_Report_2022.pdf

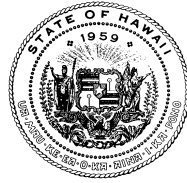
number of shares equals the number of adult residents, plus one-half the number of minors. HSEO further suggests the dividend be limited to qualifying income groups, set at a high threshold to accommodate Hawai'i's high cost of living, e.g. qualifying households earning less than 140% AMI, or qualifying households in the bottom four income quintiles.⁴

Despite these concerns, HSEO recognizes a carbon tax and dividend program as an effective mechanism for achieving market-based greenhouse gas emissions reductions. Carbon pricing can help to equalize the market environment between lower carbon intense activities and fossil fuels, and incentivize, and in some cases enable, the adoption of cleaner low-emitting alternatives for consumers. Further, excess revenue from the carbon tax can assist in financing the upfront and initial costs of infrastructure which enables cleaner alternatives, such as robust transit networks.

HSEO defers to the Department of Budget and Finance on the fiscal impact of this measure to the state budget and defers to the appropriate agencies for comment on tax administration.

Thank you for the opportunity to testify.

⁴ Id. Page 11.



STATE OF HAWAII
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**Testimony COMMENTING on SB2525
RELATING TO TAXATION**

SENATOR LYNN DECOITE, CHAIR
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
AND
SENATOR MIKE GABBARD, CHAIR
COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Hearing Date: January 30, 2024

Room Number: 229

1 **Fiscal Implications:** This measure will impact the priorities identified in the Governor's
2 Executive Budget Request for the Department of Health's (Department) appropriations and
3 personnel priorities.

4 **Department Testimony:** The Department of Health (DOH) respectfully provides comments on
5 SB2525. The bill seeks to amend the environmental response, energy, and food security tax by
6 adding carbon emissions as a component and creating a carbon tax with specific tax rates for the
7 various petroleum products in order to reduce fossil fuel consumption.

8 The Department supports the intent to minimize fossil fuel consumption and greenhouse gases;
9 however, we are concerned that the measure reduces the 5 cents per barrel allocation to the
10 Environmental Response Revolving Fund (ERRF) from the current ceiling amount of \$1,250,000
11 to \$1,116,000. The Department relies on these funds to effectively carry out its mission of
12 protecting human health and the environment. The legislative intent of the ERRF focuses on the
13 removal, remediation and detection of oil and pollutant or contaminant releases; and the removal
14 and remediation of hazardous wastes and any other solid, liquid, or gaseous substance that may
15 harm the environment. The ERRF is utilized when department staff respond to petroleum,
16 hazardous materials, and other environmental releases. It pays for contract services to the

1 University of Hawaii for sampling and analysis and contract services for the clean-up and
2 removal of oil and hazardous waste. Notable examples using the ERRF include petroleum spills
3 from vessels and stationary devices, unexploded ordnances (UXO's), response to the Red Hill
4 petroleum contamination, contamination of the drinking water supply from Red Hill, the diesel
5 spill from the Maui Space Surveillance Complex at Haleakala and response to the Navy plane
6 that overshot the runway at Kaneohe Marine Corps. In response to the Maui Wildfires, the
7 ERRF currently supports emergency contracts to conduct air quality sampling and monitoring
8 and ash sampling and analysis. Additionally, staff traveled to Maui and assisted in the hazardous
9 materials and marine debris removal.

10 The fund also covers operational expenses of the emergency response staff such as travel,
11 purchase and maintenance of highly technical and sensitive equipment and personal protection
12 equipment. Any reduction in the funding amount will negatively impact our operations and
13 capabilities.

14 Thank you for the opportunity to testify.

TESTIMONY OF
LEODOLOFF R. ASUNCION, JR.
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII

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

Tuesday, January 30, 2024
1:01 p.m.

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

MEASURE: S.B. No. 2525

TITLE: RELATING TO TAXATION.

DESCRIPTION: Amends the environmental response, energy, and food security tax to address carbon emissions. Incrementally increases the tax rate over time. Establishes a refundable tax credit to mitigate the effect of a carbon emissions tax on taxpayers. Requires reports to the Legislature.

POSITION:

The Public Utilities Commission (“Commission”) offers the following comments for consideration.

COMMENTS:

The Commission appreciates the intent of this measure to further the State’s decarbonization efforts and to provide financial relief to residents.

The Commission has long worked to address the climate crisis and actively implements policies in line with the State of Hawaii’s goal to be carbon neutral by 2045, some of which are funded via the existing barrel tax. Examples of the Commission’s efforts to address the climate crisis include, among others, supporting Community Based Renewable Energy (CBRE), supporting a market for distributed energy resources, enforcing and creating energy efficiency programs to reduce consumption of electricity, and overseeing efforts to expeditiously acquire new renewable energy resources to achieve the State of Hawaii’s renewable portfolio standard.

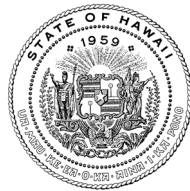
The Commission also notes that this measure, which establishes a carbon cashback program by adding a carbon tax to the existing fuel tax and subsequently returns revenues generated by the carbon tax to State residents as a refundable tax credit, is a progressive tax that works to address equity issues in the State. The Commission is similarly focused on addressing equity, as evidenced by the ongoing investigation to address equity and justice across the Commission's proceedings and the Commission's work more broadly. However, the Commission also notes that this measure is likely to increase electricity rates in the near term.

The Commission observes that the allocation of funding from tax revenues are proposed as absolute values and not as percentages or on a per-unit basis. The Commission appreciates that this provides more certainty for annual funding levels for important programs as tax revenues fluctuate or decrease over time.

The Commission provides the following comments specific to Section 6 of S.B. 2525 for the Committee's consideration:

1. The first sentence in Section 6(e) may be superfluous as there is currently no such power purchase agreement in place and a new power purchase agreement between an electric utility and an independent power producer (IPP) using coal as a fuel source to generate electricity since coal was banned for such purposes when the Governor signed Act 23, Session Laws of Hawaii 2020.
2. In Section 6(e) of the measure, permits IPPs to pass the tax described in S.B. 2525 Section 6(c) on to an electric utility. The Commission suggests that the Committee amend the text to narrow the scope of what carbon tax related expenses an IPP is permitted to pass on to an electric utility. IPPs should only be permitted to pass through carbon taxes incurred related to the generation of electricity sold to the electric utility. IPPs should not be permitted to pass through any carbon taxes incurred from the purchase or use of fuel during the construction of its facilities or other auxiliary uses. Narrowing the scope of the carbon taxes that this measure permits IPPs to pass through insulates ratepayers from bearing the cost of emissions incurred by IPPs in the course of their regular business operations. A narrower scope would also align incentives of IPPs with the goal of S.B. 2525.

Thank you for the opportunity to testify on this measure.



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
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HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEES ON ENERGY, ECONOMIC DEVELOPMENT,
AND TOURISM
AND AGRICULTURE AND ENVIRONMENT
ON
SENATE BILL NO. 2525

January 30, 2024
1:01 p.m.
Room 229 and Videoconference

RELATING TO TAXATION

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill (S.B.) No. 2525 establishes a carbon cashback program by:

- 1) establishing the Carbon Emissions Tax and Dividend Special Fund (CETDSF) to be administered by the Department of Taxation (TAX) into which funds, including funds appropriated by the Legislature, a portion of the environmental response, energy, carbon emissions and food security tax, and investment earnings, gifts, donations, or other income received by the Hawai'i Natural Energy Institute, shall be deposited;
- 2) establishing a refundable carbon cashback tax credit for qualifying resident taxpayers;
- 3) increasing the taxes on petroleum product and fossil fuel sold by a distributor;
- and 4) changing existing allocations from set proportional amounts to flat annual rates and adding new flat annual rate allocations to be deposited into various special, revenue, or revolving funds, including the CETDSF. The bill also requires TAX to submit an annual report to the Legislature no later than 40 days prior to the

convening of each regular session from 2025 until 2034, inclusive, with information about the carbon cashback program and the Office of Planning and Sustainable Development, in consultation with TAX, to submit a report to the Legislature no later than 40 days prior to the convening of the regular session of 2034 that includes an evaluation of the carbon cashback program and any recommended changes.

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work, and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding S.B. No. 2525, due to the annual increase in the tax credit to be paid from the proposed special fund with only a flat annual rate allocation to be deposited into it, it is difficult to determine whether the proposed special fund would be self-sustaining.

We defer to TAX on any implementation issues created by this measure.

Thank you for your consideration of our comments.



**Hawaii
Legislative
Council
Members**

Joell Edwards
Wainiha Country
Market
Hanalei

Russell Ruderman
Island Naturals
Hilo/Kona

Dr. Andrew Johnson
Niko Niko Family
Dentistry
Honolulu

Robert H. Pahia
Hawaii Taro Farm
Wailuku

Maile Meyer
Na Mea Hawaii
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Tina Wildberger
Kihei Ice
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Sen. Lynn Decoite, Chair
Sen. Glenn Wakai, Vice Chair
Comm. on Energy, Economic Dev. & Tourism

Sen. Mike Gabbard, Chair
Sen. Herbert M. "Tim" Richards, III, Vice Chair
Comm. on Agriculture & Environment

Tuesday, January 30, 2024
1:01 pm, EET
Conference Room 229 or via Zoom

RE: SB2525 Carbon Cashback - Conditional Support with Amendments

Dear Chairs Decoite & Gabbard, Vice Chairs Wakai & Richards, and
Members of the Committees,

The Chamber of Sustainable Commerce represents over 100 small businesses across the State of Hawaii that strive for a triple bottom line: people, planet and prosperity; we know we can strengthen our economy without hurting workers, consumers, communities or the environment. This is why we conditionally support SB2525 with amendments.

According to the International Monetary Fund, the global subsidies for fossil fuels were estimated between \$5.4-7 trillion in 2022. According to the U.S. Senate Committee on the Budget, the U.S. taxpayers handed over about \$20 billion in 2022 to the fossil fuel industry to make fossil fuels artificially cheaper. These subsidies undermine the viability of investing in energy sources that produce less green house gas (GHG) emissions.

The challenge for Hawaii becomes, how do we capture those federal tax dollars our residents are paying, expose the true costs of fossil fuels and invest those monies locally in non-GHG fuel sources and social enterprises that support equitable participation in GHG reduction efforts.

CSC supports the carbon tax and the refundable credit to the lower 75% income households; but acknowledge the top 25% would experience less financial hardship by the carbon tax; instead, that portion of the tax revenue should be directed to social benefit programs that will have direct and immediate reductions of GHG emissions, such as, but not limited to:

- Making bus transportation on all the islands free, with more robust routes, express lanes, broader schedules and larger fleet of electric-solar buses
- Providing electric car sharing programs, like biki bikes, for families who cannot afford to buy an electric car and/or install a charging station
- Subsidize more locally grown organic produce for school meals

Additionally, please add a section to the bill that requires an honest evaluation of the volume of green house gases emitted by trash and biomass incineration and tax those accordingly to the true costs to global warming and climate change.

Carbon Cashback Hawaii
carboncashbackhawaii@gmail.com
carboncashbackhawaii.org



January 29, 2024

STRONG SUPPORT FOR SB2525 - RELATING TO TAXATION

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

The Carbon Cashback Task Force urges you to support SB2525, a bill that would enact a carbon fee and dividend policy (Carbon Cashback) in Hawai'i.

The Carbon Cashback Task Force is a group of advocates across Hawai'i striving to pass legislation that effectively reduces carbon emissions while enabling a socially equitable transition.

Carbon Cashback is a policy that will reduce carbon emissions while benefiting low- and middle-income households. It would assess a predictable and increasing fee on fossil fuel distributors and return the revenues to Hawai'i residents.

Many studies have found this to be the most cost-effective way to reduce greenhouse gas emissions; at the same time, it would provide cash benefits directly to families most affected by rising inflation and climate impacts. When fully implemented, a household of two adults and two children would receive over \$1,800 yearly, which, for the majority of low- and middle-income families, would greatly exceed their additional expenditure on goods and services caused by the carbon fee. Monies paid by visitors would contribute to the rebates received by Hawai'i residents.



This policy creates an incentive to transition to lower emission activities. The prospect of gradually increasing fossil fuel prices will trigger a change in consumption habits, reducing fossil fuel demand and accelerating the adoption of clean energy, zero-low emission transportation solutions, and energy efficiency measures.

Since revenue is returned to residents, the policy allows households to adapt to increased fossil fuel-based energy. As they adopt lower carbon habits, they can realize a net positive financial benefit. Notably, this policy is revenue-neutral and will not create additional governmental burden.

Its implementation is relatively simple since Carbon Cashback will use the existing barrel tax and income tax processes.

Support for Carbon Cashback

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%.

It's Time for Carbon Cashback

SB2525 will enable Hawai'i to meet its climate and energy resilience goals by accelerating its transition to clean energy solutions while offering residents a financial means to adapt in a just and equitable manner.

Please support SB2525.

Thank you,
Carbon Cashback Hawaii



TESTIMONY FROM THE DEMOCRATIC PARTY OF HAWAII
SENATE COMMITTEES ON ENERGY, ECONOMIC DEVELOPMENT,
AND TOURISM and AGRICULTURE AND ENVIRONMENT

JANUARY 30, 2024

SB 2525, RELATING TO TAXATION

POSITION: SUPPORT

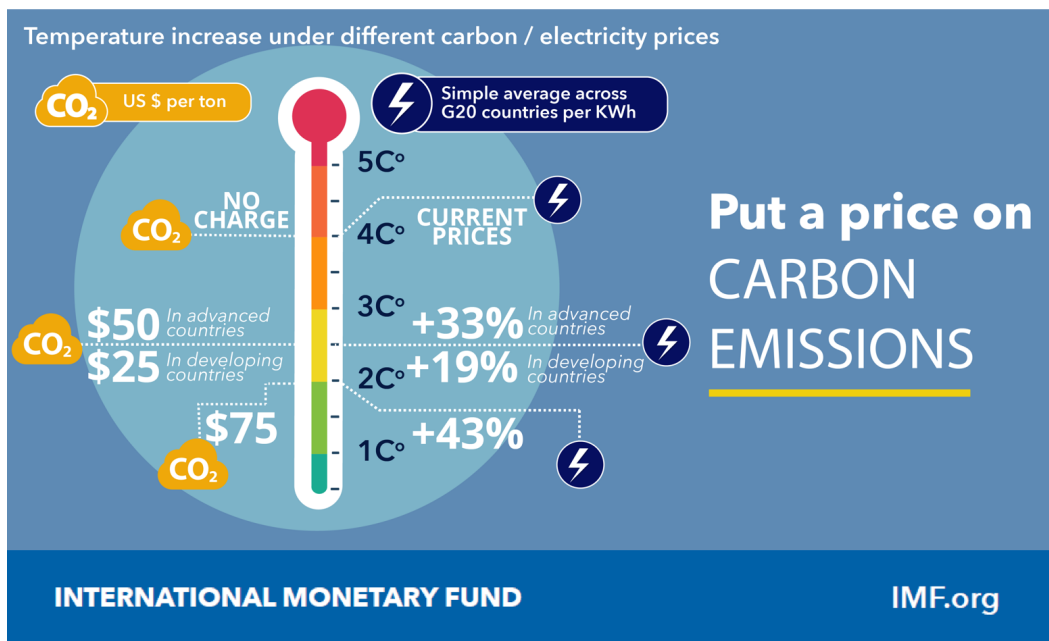
The Democratic Party of Hawaii **supports** SB 2525, relating to taxation. Pursuant to the “Environment and Energy” section of the official Democratic Party of Hawaii platform, the party believes “that a key part of a sustainable and self-sufficient future for Hawaii lies in achieving energy independence through a transition to clean renewable energy sources,” and supports “policy that eliminates our dependence on fossil fuels and other dirty energy sources.” Additionally, in 2022, the Democratic Party of Hawaii adopted resolution number 2022-30 at its state convention, urging the Hawaii State Legislature to adopt a carbon pricing and dividend program.

According to a report produced by the Hawaii Climate Change Mitigation and Adaptation Commission, global sea levels could rise more than three feet by 2100, with more recent projections showing this occurring as early as 2060. In turn, over the next 30 to 70 years, approximately 6,500 structures and 19,800 people statewide will be exposed to chronic flooding. Additionally, an estimated \$19 billion in economic loss would result from chronic flooding of land and structures located in exposure areas. Finally, approximately 38 miles of coastal roads and 550 cultural sites would be

chronically flooded, on top of the 13 miles of beaches that have already been lost on Kaua'i, O'ahu, and Maui to erosion fronting shoreline armoring.

As we work to reduce carbon emissions and stave off the worst consequences of climate change, we must begin preparing for the adverse impact of sea level rise on our shores. We are now quantifying the speed at which we must act. We cannot continue to develop the 25,800-acre statewide sea level rise exposure area—one-third of which is designated for urban use—without risking massive structural damage and, potentially, great loss of life.

Therefore, our state should take steps to protect Hawai'i's coastal areas, including by exploring carbon pricing options. A carbon tax is a fee imposed on the burning of carbon-based fuels (coal, oil, gas). More to the point, a carbon tax is the core policy for reducing and eventually eliminating the use of fossil fuels whose combustion is destabilizing and destroying our climate, forcing users of carbon fuels pay for the climate damage caused by releasing carbon dioxide into the atmosphere. If set high enough, a carbon tax can be a powerful monetary disincentive that motivates switches to clean energy across the economy by making it more economically rewarding to employ non-carbon fuels and energy efficiency.



Utilizing existing tax collection mechanisms, a carbon tax is paid “upstream,” i.e., at the point where fuels are extracted and inserted into the stream of commerce or imported into the U.S. Fuel suppliers and processors are free to pass along the cost of the tax to the extent that market conditions allow, with market forces simultaneously creating a monetary incentive to reduce carbon dioxide emissions and help our planet curb the climate crisis’s global warming effect. Carbon that is chemically bound into manufactured products—such as plastics—are not be taxed under a carbon tax scheme. This measure would offset a carbon tax’s regressivity by instituting a dividend for taxpayers, which could amount to a credit of \$480 to \$960 it its height.

Notably, a Brookings Institute report found that using 2013 emissions figures, a carbon tax of only \$20/ton would generate an estimated \$365 million for Hawai‘i. Other estimates have put that number closer to \$500 million depending on how the tax scheme is structured.

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

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

Source: Brookings Institution State-Level Carbon Taxes, 2016

Many eminent economists have endorsed a policy that taxes carbon and returns revenues, commonly known as dividends, to households. **The University of Hawai‘i Economic Research Organization (UHERO) conducted a study on a carbon tax that was released in April 2021** entitled, "Carbon Pricing Assessment for Hawai‘i: Economic and Greenhouse Gas Impacts". The study explored how a carbon tax and dividend policy would affect Hawai‘i and **found that it would substantially reduce the consumption of fossil fuels while financially benefiting most Hawai‘i households.** Low-income households would experience the greatest financial benefit.

To date, over 3,600 economists had signed a statement on carbon dividends endorsing a carbon tax, including twenty-eight Nobel Laureate

economists, four former Chairs of the Federal Reserve, and fifteen former Chairs of the Council of Economic Advisors. The statement reads, in part: "A carbon tax offers the most cost-effective lever to reduce carbon emissions at the scale and speed that is necessary." It goes on to say that the carbon tax should be increased until emission reduction goals are met...to maximize the fairness and political viability of a rising carbon tax, all the revenue should be returned directly to U.S. citizens through equal lump-sum rebates. The majority of American families, including the most vulnerable, will benefit financially by receiving more in 'carbon dividends' than they pay in increased energy prices."

More than forty countries have adopted a carbon tax or other carbon pricing policy, and even more are considering it. **The World Bank asserts that "carbon pricing is the most effective way to reduce emissions, and all jurisdictions must go further and faster in using carbon pricing policies as part of their climate policy packages."** The level of pricing is key, and according to the World Bank, fossil fuels must be priced between \$50 and \$100 per ton of carbon dioxide emissions in the next few years to put the world on the path to achieving the goals of the Paris Agreement.

Last year, we witnessed the impact of the climate emergency on our shores. On August 8, 2023, wildfires swept across Maui and killed at least 100 people, making it one of the nation's deadliest natural disasters. The spread of the fires has been attributed to climate change conditions, such as unusually dry landscapes and the confluence of a strong high-pressure system to the north and Hurricane Dora to the south. The wildfires destroyed over 2,200 structures, including numerous residential buildings, historic landmarks, and school facilities. In September 2023, a report from the United States Department of Commerce estimated the total economic damage of the wildfires to be roughly \$5.5 billion. As we accelerate our transition to a clean economy and continue our fight against climate change, we cannot afford to forego this sustainability-minded method of revenue generation.

Mahalo nui loa,

Kris Coffield

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January 28, 2024

STRONG SUPPORT FOR SB2525 - RELATING TO TAXATION

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

On behalf of the Citizens' Climate Lobby (CCL) Hawaii, I'm testifying in Strong Support of SB2525, which "Expands the environmental response, energy, and food security tax to include carbon emissions."

CCL Hawaii comprises over 1061 members in four chapters - Hawaii Island, Honolulu, Kauai, and Maui. We advocate for effective, efficient, and fair climate legislation. We support SB2525 as it meets the requirements for effective climate action, namely:

- **Addresses a key root cause** (emissions from burning fossil fuels),
- **Triggers a broad change in consumption habits** to reduce fossil fuel dependence,
- **Progressive and ensures a just transition** for vulnerable members of our community,
- **Revenue neutral so won't cost the government anything**, which is especially critical in this time of tight budgets.

Carbon pricing is an essential strategy in our climate change mitigation efforts. It is endorsed by thousands of economists, religious leaders, business groups, and government leaders. [1] Globally, over 40 governments have introduced carbon pricing [2], and we've observed decades-long impacts in some of them. [3]

Studies at the national [4] and local levels [5] have illustrated the efficacy of carbon pricing in reducing emissions. When coupled with a dividend – carbon tax revenue returned to households – the impact on our low-middle-income families is positive.

"Impose a carbon tax to incentivize moving away from carbon-based fuels and adopting clean energy. We recommend that the majority of the proceeds be rebated as a cashback to the residents of Hawai'i, with a disproportionate distribution to low-income households."

- 2020-2022 Hawaii Tax Commission

The elements of Carbon Cashback were further included in the Hawai'i State Energy Office's recent Decarbonization Study, *Hawai'i Pathways to Decarbonization*. The study recommends Hawai'i **adopt a "carbon surcharge" using the State's existing barrel tax, with dividends paid to residents.**

Carbon Cashback's pricing of carbon pollution will allow us to begin to include the true social costs of carbon emissions into fossil fuels. This will trigger changes in consumer and business behaviors that favor efficiency and clean and renewable solutions. The outcome is a step-change in collective habits that will help Hawaii reduce its dependency on fossil fuels, accelerate its transition to clean energy, and help create support for national carbon pricing. All of this will occur, while the cashback (tax refund) feature of this bill will financially benefit low- and middle-income households.

Climate change requires solutions on multiple fronts – emissions reduction, legacy carbon drawdown, and adaptation. SB2525's proposal to put a price on carbon and return revenue to residents is critical to reducing emissions in an equitable way. It will also strengthen and complement other policies designed to decarbonize Hawai'i.

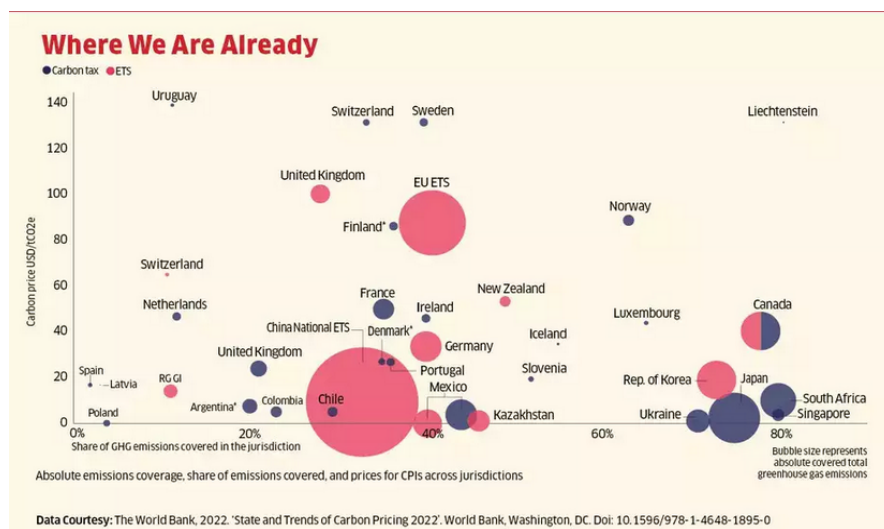
Please support SB2525.

Respectfully,
Ron Reilly, CCL Hawai'i State Coordinator

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

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

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



Source: The Economic Times - February 2, 2023

[3] **Sweden** introduced a price on carbon in 1991 and has the highest priced currently at \$139/tCO₂. Its economy has grown by 60% since the introduction, and its emissions have decreased by 25%.

<https://ourworldindata.org/carbon-pricing-popular>

British Columbia implemented its carbon tax in 2008, and it is currently at [\\$65/ton as of April 1, 2023](#). Studies have shown that it has had a minimal impact on the economy, while reducing emissions between 5 and 15%. The carbon tax has been so effective in British Columbia that the entire country of Canada has adopted it.

The **European Union's** carbon price has been cited as one of the main reasons electric vehicle penetration in Europe far exceeds that of the United States (Climate Now podcast 2/25/2022). Furthermore, [Metcalf and Stock](#) find that the EU's carbon price has had a very negligible impact on its overall economy.

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

[5] The **UHERO Carbon Pricing Assessment report** in April 2021 confirmed the effectiveness of a carbon fee and dividend strategy. <https://energy.hawaii.gov/carbon-pricing-study>. A carbon pricing policy was the top recommendation by the **Hawaii Tax Review Commission**.

https://files.hawaii.gov/tax/stats/trc/docs2022/TRC_Report_2022.pdf



Email: communications@ulupono.com

SENATE COMMITTEES ON ENERGY, ECONOMIC DEVELOPMENT & TOURISM AND
AGRICULTURE & ENVIRONMENT
Tuesday, January 30, 2024 — 1:01 p.m.

Ulupono Initiative supports SB 2525, Relating to Taxation.

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

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

Ulupono supports SB 2525, which amends the Environmental Response, Energy, and Food Security Tax to address carbon emissions and incrementally increases the tax rate over time. The bill also establishes a refundable tax credit to mitigate the effect of a carbon emissions tax on taxpayers.

To avoid the worst impacts of climate change, significant reductions in greenhouse gas emissions are necessary. The Hawai'i State Legislature passed Act 238 in 2022, affirming Hawai'i's role in the nationally determined contribution under Article 4 of the Paris Agreement for the United States to "achieve a fifty to fifty-two percent reduction in economywide greenhouse gas emissions (GHG) by 2030 compared to 2005 levels." In December 2023, the Hawai'i State Energy Office published its Hawai'i Pathways to Decarbonization Report, which identifies, among other things, the crucial role that energy efficiency will play as one of the most important actions that can be made to reduce energy demand *before* implementing other measures such as developing new renewable generation, reducing vehicle miles traveled, converting to electric transport, and deploying carbon capture technologies.¹ The report also identifies the significant need for additional renewable energy generation to meet broader economy-wide decarbonization goals.

A recent report from the Intergovernmental Panel on Climate Change (IPCC) finds that carbon dioxide (CO₂) emissions would need to fall by about 45% from 2010 levels by 2030 to limit warming to 1.5 degrees Celsius.² A carbon cashback program can be an effective tool to reduce greenhouse gas emissions while not financially burdening most households.

¹ Hawai'i Pathways to Decarbonization Act 238, Session Laws of Hawai'i 2022, Report to the 2024 Hawai'i State Legislature December 2023. https://energy.hawaii.gov/wp-content/uploads/2024/01/Act-238_HSEO_Decarbonization_Report.pdf

²[Summary for Policymakers of IPCC Special Report on Global Warming of 1.5 degrees Celsius approved by governments](#), October 8, 2018.

Investing in a Sustainable Hawai'i

SB 2525 will provide an economic mechanism to accelerate these necessary behavioral shifts and investment needs and align the incentive structure to forge a path towards a decarbonized economy.

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

Additionally, in December 2021, the Hawai'i Tax Review Commission in its 2020-2022 report to the Legislature also recommended that Hawai'i employ a carbon cashback program to encourage clean energy development and improve most households' economic welfare in the process. With lower-income households expected to experience net economic benefits greater than those of higher-income households, this is a progressive measure that will disincentivize the use of fossil fuels while simultaneously helping the households that need it the most.

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

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

- (1) Maintain an 80/20 percent split between the tax revenues for households and the general fund. A 2023 Hawai'i State Energy Office analysis suggests that households could receive \$900-\$1,000 per year in years 1-5 once the program is implemented, helping to offset the increase in energy costs.³ The committee should also consider adopting the recommendation to earmark the 20% for helping stakeholders address specific challenges of implementing this program. These funds could be used to mitigate the impacts to local industries, such as local farmers and other smaller businesses.

³ Hawai'i Pathways to Decarbonization Act 238, Session Laws of Hawai'i 2022, Report to the 2024 Hawai'i State Legislature December 2023. https://energy.hawaii.gov/wp-content/uploads/2024/01/Act-238_HSEO_Decarbonization_Report.pdf

(2) Earlier review and adjustment to ensure outcomes are on track. The 2020-2022 Tax Review Commission's follow-up research on the carbon cashback program found equity enhancing benefits for low- to moderate-income residents so long as at least 80% of the funds raised were distributed in equal shares back to households. This bill instead offers fixed dollar tax credits per year. These amounts may turn out to be significantly more or less than the researched 80% of carbon tax proceeds (returned to tax payers) threshold. As such, we would recommend that these amounts be reviewed at least every 5 years and adjusted to stay at least approximately on track with the 80% return threshold.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs



P.O. Box 37158, Honolulu, Hawai'i 96837-0158
Phone: 927-0709 henry.lifeoftheland@gmail.com

COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Senator Lynn DeCoite, Chair

Senator Glenn Wakai, Vice Chair

COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Senator Mike Gabbard, Chair

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

DATE: Tuesday, January 30, 2024

TIME: 1:01 PM

PLACE: Conference Room 229 & Videoconference

SB 2525 RELATING TO TAXATION

PLEASE HOLD

Aloha Chairs DeCoite & Gabbard, Vice Chairs Wakai & Richards, and Members of the Committee

Life of the Land is Hawai'i's own energy, environmental and community action group advocating for the people and `aina for 53 years. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

The bill amends the environmental response, energy, and food security tax to address carbon emissions. Incrementally increases the tax rate over time and establishes a refundable tax credit to mitigate the effect of a carbon emissions tax on taxpayers.

There are many tools that can be used to reduce global greenhouse gas emissions. These include keeping oil in the ground, increasing the use of low climate impact renewable energy, electrification of transportation, promoting walkable communities, mass transit, etc.

What is the comparative cost of decreasing one unit of GHG emissions for each approach? For each solution, how hard is it to implement, what are the unintended impacts (social, equity, environmental), what loopholes will grow, how easy is it to measure the GHG reductions, and will it be effective?

Economists believe that the capitalistic free market created the climate nightmare but that tweaking the free market will result in a non-government-mandated self-correction.

The bill states that “the existing [fuel] tax rate is not designed to reduce consumption” but if there is a gradual increase in the fuel tax rate, “its effect... [is] reducing the consumption of fossil fuels,” even though the net effect of the bill is to increase the net income of residents.

The bill implies that residents will favor doing the right thing rather than maximizing their income, even though residents could maximize their income by

minimizing their carbon taxes while maximizing carbon taxes generated by tourists through such mechanisms as encouraging more tourism.

Fuel consumption is very inelastic. The U.S. Bureau of Labor Statistics reports, "While the dollar expenditures for gasoline fluctuated greatly between 2007 and 2009, and, to a similar extent, in other time periods, the consumption of gasoline remained rather constant."¹

The International Monetary Fund (IMF) reported that "between 1991 and 2013, the world's real GDP growth and the world's GHG emissions are correlated, with a correlation coefficient of 0.9."²

Fitch Ratings reported last year, "the linkages that still remain between global carbon dioxide emissions (CO₂) and world GDP growth."³

Mahalo

Henry Curtis

Executive Director

¹ <https://www.bls.gov/opub/btn/volume-5/using-gasoline-data-to-explain-inelasticity.htm#:~:text=This%20variation%20in%20the%20sensitivity,rises%20the%20demand%20should%20fall.>

² <https://www.imf.org/-/media/Files/Publications/WP/2017/wp17191.ashx>

³ <https://www.fitchratings.com/research/sovereigns/co2-emissions-are-still-linked-to-world-gdp-growth-27-04-2022>



**TESTIMONY OF TINA YAMAKI, PRESIDENT
RETAIL MERCHANTS OF HAWAII
January 30, 2024
Re: SB 2525 RELATING TO TAXATION**

Good afternoon, Chairperson DeCoite and Chairperson Gabbard and members of the Senate Committee on Energy, Economic Development & Tourism and The Senate Committee on Agriculture, & Environment. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901, RMH is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, local, national, and international retailers, chains, and everyone in between.

While we understand the intent of this measure, we are not in support of SB 2525 Relating to Taxation. This measure amends the environmental response, energy, and food security tax to address carbon emissions; incrementally increases the tax rate over time; establishes a refundable tax credit to mitigate the effect of a carbon emissions tax on taxpayers; and requires reports to the Legislature.

While it seems like it is only a few cents added to a tax every year, these coins add up when considering the amount of barrel fuel that is used. We must remember that unlike the mainland who has ground shipping, buses, trains, and other modes of transportation between states, Hawaii is very dependent on airlift to and from our state as well as consumer products and goods being delivered either through ships or air cargo.

Should the state mandate a carbon emissions tax on all fuel, it will ultimately drive the prices up of not only air travel but also the price of many goods, thus continuing to make Hawaii one of the most expensive places to live.

We have already seen a substantial increase in shipping rates over the past few years to and from and in between the islands. A carbon tax would add to the cost of doing business. Unfortunately, our neighbor islands would be adversely affected as many items arrive in Honolulu before being shipped to the various islands. As you may be aware, products are more expensive on the neighbor islands due to transportation costs.

The consumer prices for all items climbed 3.4% in the last 12 months. Adding a carbon tax, retailers will pass on the cost to the customer. Those who are on a fixed income or at the poverty level will feel the impacts of price increases as their dollars no longer stretches like it used to for food, clothing... And while we acknowledge the tax rebate, many cannot wait for the rebate.

However, retailers are not always able to pass on the increased costs pushed onto them. Many items have a tag with the Manufacture Suggested Retail Price (MSRP) for which is the highest price a store will sell an item. If we sell above the MSRP, customers will find the item elsewhere cheaper such as online or when they shop when visiting outside the state. No customer sales mean no revenue to pay employees, taxes, rent... **Retailers look at other ways to make up for the loss – hiring freeze, opening for shorter hours, closing on certain days, not renewing leases on all locations, investing in self-checkouts, or closing their brick-and-mortar store to sell only online to name a few.**

We have all seen the price increases when we go to the grocery store or purchase new shoes or clothing. If we continue to drive up the costs of goods being sold in Hawaii, we will see more people ordering online on sites that offer free shipping and may not have any ties to Hawaii. **As a result, we may see even more of our local stores having to lay off their employees as they close for good. Let's not price Hawaii out of the reach of more locals to continue to live here.**

We urge you to hold this measure.

Mahalo for this opportunity to testify.

Island Plastic Bags

TO: Chair Lynn DeCoite; Vice Chair Glenn Wakai; and Committee

Chair Mike Gabbard; Vice Chair Herbert M. Richards, III; and Committee

FROM: Adrian Hong, President of Island Plastic Bags, Inc.

RE: SB 2525 RELATING TO TAXATION

POSITION: OPPOSE

Thank you for the opportunity to submit testimony in opposition to SB 2525. My name is Adrian Hong and I am the president of Island Plastic Bags Inc. (IPB), a second-generation, family business in Halawa Valley that manufactures plastic trash liners and sells compostable cutlery, paper bags, and Colgate-Palmolive products. IPB opposes this bill because the State of Hawaii does not have a mechanism to tax carbon intensive imports from overseas and the mainland. Enacting a carbon tax without the ability to tax cross border imports will significantly disadvantage Hawaii business.

IPB does not oppose a carbon tax at the federal level. That is because a federal carbon tax would be applicable to every business in the United States, creating an even playing field. A federal carbon tax matched with a cross border tax on carbon intensive imports would make sure any business, whether domestic or foreign, would be competing on an even playing field. The State of Hawaii does not have either capability. It can't tax carbon intensive imports from other states let alone other countries.

If this bill were to pass the inability to tax carbon intensive imports to Hawaii would greatly disadvantage local businesses. For example, a Texas manufacturer of plastic bags could manufacture the same trash liners as I do and sell them to a Hawaii business without having to pay the carbon tax while IPB would be forced to pay the carbon tax. This would make IPB uncompetitive and unable to pass the carbon tax along to my customers. Local production would inevitably move to lower cost jurisdictions and Hawaii would lose the few manufacturing jobs it has. A \$.05/gallon fee may not seem like much, but the biggest impact would come through higher electricity costs as HECO passes on the fee to its customers. Electricity costs in Hawaii are already incredibly high. Adding additional costs on top of that will just make Hawaii businesses even less competitive.

Thank you for the opportunity to provide testimony in opposition to SB 2525. Should you have any questions or comments about my testimony you can contact me by email at ahong@islandplasticbags.com or by phone at 808-484-4046.

Island Plastic Bags



Sincerely,

Adrian K. Hong, CPA

President

Island Plastic Bags, Inc.

www.islandplasticbags.com

Email: ahong@islandplasticbags.com | Phone: 808-484-4046 | Fax: 808-488-8505



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the Senate Committee on Energy, Economic Development and Tourism and
Senate Committee on Agriculture and Environment**

Tuesday, January 30, 2024, at 1:01 PM

Conference Room 229

RE: SB 2525 Relating to Taxation

LATE

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

The Chamber of Commerce Hawaii Supports (“The Chamber”) appreciates the opportunity to **express concerns regarding SB2525** which amends the environmental response, energy, and food security tax to address carbon emissions. Incrementally increases the tax rate over time. Establishes a refundable tax credit to mitigate the effect of a carbon emissions tax on taxpayers. Requires reports to the Legislature.

While we appreciate the intent of the measure to mitigate carbon emissions, the Chamber is concerned that this bill would increase the tax rates and negatively impact tourism and ultimately reduce economic growth throughout the state. In 2023, a [blog by UHERO experts](#) stated that, “In Hawaii the carbon tax would negatively affect tourism, the state’s largest export industry, by raising the cost of visiting the state relative to the costs of visiting competing destinations. The reduced tourist volume results in a lower level of GDP compared to an economy with no carbon tax.” Currently, our local business community has not fully recovered from COVID, inflation and the devastating Maui wildfires. We would urge the committees not to enact an additional tax that could further threaten economic growth in Hawaii.

The Chamber is Hawaii’s leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of members and the entire business community to improve the state’s economic climate and to foster positive action on issues of common concern.

On behalf of The Chamber, thank you for this opportunity to testify.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

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

BILL NUMBER: SB 2525, HB 2178

INTRODUCED BY: SB by RHOADS, Kidani, GABBARD, CHANG, Elefante, Keohokalole, McKelvey, HB by PERRUSO, COCHRAN, GANADEN, GARRETT, KAPELA, LA CHICA, LOWEN, MARTEN, POEPOE, TARNAS, Tam

EXECUTIVE SUMMARY: Establishes a carbon emissions tax credit. Expands the environmental response, energy, and food security tax to include carbon emissions.

SYNOPSIS: Adds a new section to chapter 231, HRS, to establish a carbon emissions tax and dividend special fund.

Adds a new section to chapter 235, HRS, granting a carbon cashback refundable tax credit to mitigate the effect of a carbon emissions tax on taxpayers.

For single taxpayers or married filing separately:		
Calendar Year	Credit Amount	Plus additional per dependent:
2025	\$ 36	\$ 18
2026	73	37
2027	146	73
2028	218	109
2029	289	145
2030	360	180
2031	425	213
2032	488	244
2033	548	274
2034	607	303
2035	616	308
2036	624	312
2037	630	315
2038	636	318
2039	641	321
2040	646	323
2041	633	316
2042	618	309
2043	602	301
2044	584	292
2045	565	283

For head of household:		
Calendar Year	Credit Amount	Plus additional per dependent:
2025	\$ 36	\$ 18
2026	73	37
2027	146	73
2028	218	109
2029	289	145
2030	360	180
2031	425	213
2032	488	244
2033	548	274
2034	607	303
2035	616	308
2036	624	312
2037	630	315
2038	636	318
2039	641	321
2040	646	323
2041	633	316
2042	618	309
2043	602	301
2044	584	292
2045	565	283
For married filing jointly or surviving spouse:		
Calendar Year	Credit Amount	Plus additional per dependent:
2025	\$ 72	\$ 18
2026	146	37
2027	292	73
2028	436	109
2029	578	145
2030	720	180
2031	850	213
2032	976	244
2033	1,096	274
2034	1,214	303
2035	1,232	308
2036	1,248	312
2037	1,260	315
2038	1,272	318
2039	1,282	321

2040	1,292	323
2041	1,266	316
2042	1,236	309
2043	1,204	301
2044	1,168	292
2045	1,130	283

Defines a "qualifying resident taxpayer" as an individual taxpayer who has been a resident of the State, as defined in section 235-1, Hawaii Revised Statutes, for at least nine months of the taxable year, regardless of whether the qualifying resident was physically in the State for nine months. However, the term shall 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.

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:

Calendar Year	Amount Per Barrel
2025	\$ 3.15
2026	5.25
2027	9.45
2028	13.65
2029	17.85
2030	22.05
2031	26.25
2032	30.45
2033	34.65
2034	38.65
2035	40.11
For each year thereafter add	1.26

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

- (1) \$1,116,000 to the environmental response revolving fund;
- (2) \$892,800 to the energy security special fund;
- (3) \$1,116,000 to the energy systems development special fund;
- (4) \$669,600 to the electric vehicle charging system subaccount;
- (5) \$669,600 to the hydrogen fueling system subaccount;

- (6) \$1,000,000 to the carbon emissions tax and dividend special fund;
- (6) All taxes paid on gasoline or other aviation fuel sold for use in or used for airplanes shall be deposited in the airport revenue fund; and
- (7) All taxes paid on gasoline, diesel, or other fuel sold for use in or used for small boats shall be deposited in the boating special fund.

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

Calendar Year	Amount Per Million BTU
2025	\$ 0.49
2026	0.79
2027	1.39
2028	1.99
2029	2.59
2030	3.19
2031	3.79
2032	4.39
2033	4.99
2034	5.59
2035	5.77
For each year thereafter add	0.18

Replaces the existing earmarks of taxes with the following (per fiscal year):

- (1) \$49,000 to the environmental response revolving fund;
- (2) \$147,000 to the energy security special fund; and
- (3) \$98,000 to the energy systems development special fund.

Deletes the current exemption for aviation fuel.

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: Upon approval, Sections 3 and 6 effective on January 2025 and applicable to taxable years beginning after December 31, 2024.

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 CO₂ 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 CO₂ 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 “tax credit

Re: SB 2525

Page 6

to mitigate the effect of a carbon emissions tax on taxpayers,” as the bill titles it, would be considered a use of the tax that is unrelated to airport purposes. This would be a question of federal, not state, law.

Digested: 1/27/2024

Jan. 30, 2024, 1 p.m.
Hawaii State Capitol
Conference Room 229 and Videoconference

To: Senate Committee on Energy, Economic Development and Tourism

Sen. Lynn DeCoite, Chair

Sen. Glenn Wakai, Vice-Chair

Senate Committee on Agriculture and Environment

Sen. Mike Gabbard, Chair

Sen. Herbert "Tim" Richards, III, Vice-Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: SB2525 — RELATING TO TAXATION

Comments only

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

Thank you for considering [SB2525](#), which would increase the environmental response, energy and food security tax and create a "carbon cashback" tax credit.

The tax credit provision of this bill would 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 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."¹

The economists pointed out that under a carbon tax, "non-tourism exports experience the largest relative impact with a decline of almost 5% in 2025 and 5.7% in 2045. The disproportionate impact occurs because

¹ 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, March 29, 2022, p. 7.

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.”

Furthermore, the tax increases proposed in this bill are sharp — going from \$1.05 per barrel in 2034 to \$40.11 per barrel in 2035 — and infinite, increasing by \$1.26 every year after 2035.

The 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 impact of tax hikes, especially energy tax increases, 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-19 lockdowns and the recent inflationary environment.

Looking at the even broader picture, one must consider that tax increases in general are not a good idea for Hawaii's economy, especially not now when it already has one of the highest tax burdens in the nation.²

Consider these points:

>> Hawaii's population has been declining for the past six years.³ Tens of thousands of Hawaii residents have moved to the mainland over the past six years — and mainly to states without income taxes, such as Washington, Nevada, Texas and Florida.⁴ Their departure from the islands is not only emotionally distressing, but economically depressing as well.

>> Fewer people remaining means fewer people to work at our private businesses, or even staff our government agencies. It also means fewer people to help pay for Hawaii's ever-increasing tax burden.

>> Further, higher taxes for those that remain is more fuel for the exodus of talent and capital — our friends, neighbors and family — to places that are more affordable. It's a downward spiral economically fostered by the relentless upward spiral of more and more taxes.

>> To put our tax system in context, Hawaii taxes high-income earners at 11%, second only to California at 13.3%.⁵ Hawaii's top 1.5% of taxpayers already pay 34.9% of all income taxes in the state.⁶

² Jared Walczak and Erica York, “[State and Local Tax Burdens, Calendar Year 2022](#),” Tax Foundation, April 7, 2022.

³ Maria Wood, “[Where People from Hawaii Are Moving to the Most](#),” 24/7 Wall Street, Jan. 23, 2022.

⁴ Katherine Loughhead, “[How Do Taxes Affect Interstate Migration?](#)” Tax Foundation, Oct. 11, 2022.

⁵ Timothy Vermeer, “[State Individual Income Tax Rates and Brackets for 2023](#),” Tax Foundation, Feb. 21, 2023.

⁶ “[Hawaii Individual Income Tax Statistics](#),” Hawaii Department of Taxation report for Tax Year 2021, August 2023, Table 12A.

>> Finally, Hawaii is suffering from a stagnant economy, and both the Economic Research Organization at the University of Hawai'i⁷ and the state Department of Business, Economic Development and Tourism⁸ have predicted continued slow economic growth in 2024. Tax hikes could exacerbate this slowdown, since entrepreneurs will be less likely to want to invest their capital — or “wealth assets,” as the case may be⁹ — in Hawaii's economy.

In short, Hawaii's residents and businesses need a break from new taxes, tax increase, fees and surcharges. This is not the time to make Hawaii a more expensive place to live and do business. A carbon tax will only 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

⁷ Carl Bonham, Byron Gagnes, Steven Bond-Smith, et al., “[State Facing Headwinds as Maui Recovery Begins](#),” Economic Research Organization at the University of Hawai'i, Dec. 15, 2023.

⁸ Hawaii Department of Business, Economic Development, and Tourism, “[Hawaii Economic Growth Remains Low for 2024 as Recovery Continues](#),” Dec. 11, 2023.

⁹ Aaron Hedlund, “[How Do Taxes Affect Entrepreneurship, Innovation, and Productivity?](#)” Center for Growth and Opportunity at Utah State University, Dec. 23, 2019; Ergete Ferede, “[The Effects on Entrepreneurship of Increasing Provincial Top Personal Income Tax Rates in Canada](#),” Fraser Institute, July 10, 2018; Robert Carroll, Douglas Holtz-Eakin, Mark Rider and Harvey S. Rosen, “[Personal Income Taxes and the Growth of Small Firms](#),” National Bureau of Economic Research, October 2000.

SB-2525

Submitted on: 1/29/2024 1:09:17 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Dave Mulinix	Testifying for Greenpeace Hawaii	Comments	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Committee Members.

We wanted to share with you that Carbon Cashback is very controversial and that the major Climate, Environment and Justice Organizations like 350.org, Earth Day Network, Greenpeace USA, and the NAACP do not support Carbon Tax proposals like Carbon Cashback.

One of our major concerns about Carbon Cashback is that it will have a negative impact on low-income families who drive the furthest to work.

Carbon Cashback Hawai'i acknowledges that folks who drive the furthest distance to work will be negatively impacted financially by Carbon Cashback, but say they're a small percentage of the population. So we checked it out and it's true only about 3% are super commuters, however this is over 17,000 people statewide who will lose money due to Carbon Cashback. Three percent doesn't sound like a lot, but 17,000 people is a lot. So low income folks, who live the furthest from work, and are already struggling to make ends meet, will be hit the hardest financially by Carbon Cashback.

Carbon Cashback Hawai'i also claims the purchasing power of low & middle income households will increase. However we did the math and in this sample scenario- Fully implemented Carbon Cashback tax for an individual, renter, living in Waianae, works in Honolulu (64 miles roundtrip, or 16,640 miles/year for the 260 days of travel for work alone).

- 666 gallons of gasoline/yr just for work (if car gets 25 miles/gallon).
- Carbon emissions tax = \$1.08 per gallon
- 666 gallons of gas will cost additional \$719.28
- Tax credit for an individual filing = \$646 a net loss.

In this case, as for 17,000 super commuters Carbon Cashback will have a negative impact on their budget. Many of these super commuters are low-income and Carbon Cashback will hit them the hardest.

This is something to consider in your decision making process.

Mahalo,

Dave Mulinix, CoFounder, Greenpeace Hawai'i

SB-2525

Submitted on: 1/28/2024 11:38:35 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Helen Cox	Testifying for Kauai Climate Action Coalition and Citizens Climate Lobby, Kauai Chapter	Support	Written Testimony Only

Comments:

Aloha,

I strongly support SB 2525 because it is an effective, socially progressive way to reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i and use the tax revenues to fund a rebate that will be distributed to Hawai‘i residents in equal shares. It is imperative that urgent effective action on climate change take place to maintain the livability of our planet. Later is too late! The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. While all of us need to make the transition to clean energy, we need to ensure that our policies do not negatively impact middle and low income families. With SB 2525 most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs.

Hawai‘i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so. Carbon cashback delivers emission reductions consistent with Hawai‘i’s goals and implements a top recommendation of Hawai‘i’s 2020-2022 Tax Review Commission and the Hawai‘i State Energy Office’s Hawai‘i Pathways to Decarbonization.

As a Hawaii resident and global citizen deeply concerned with the fate of our aina and as a parent and educator with great aloha for my moopuni and the others of their generation, I strongly support SB 2525. I firmly believe this policy, accompanied by other good policies, can move us toward a brighter future.

Mahalo for your support of SB 2525

Helen A Cox

Chair, Kauai Climate Action Coalition

Co-lead, Kauai Chapter, Citizens Climate Lobby

SB-2525

Submitted on: 1/29/2024 7:41:16 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Peter Joseph	Testifying for Citizens' Climate Lobby	Support	Written Testimony Only

Comments:

Please enact SB2525, the carbon fee and cashback bill. You already understand how dire the climate crisis is, thus the need for policy that is *effective, efficient and equitable*. **Literally the entire US economics profession, including top administrators, have recommended a federal revenue neutral, predictably rising, fully refunded carbon fee, cashback and border carbon adjustment (www.econstatement.org) as the most effective lever to reduce demand for fossil fuels at the scale and speed necessary.**

While Hawai'i cannot enact federal tax policy, you *can* set an example for Congress and the White House by signaling state level support for such a policy.

Thank you for your consideration.

Peter G. Joseph, M.D.

San Anselmo, CA



SB 2525, RELATING TO TAXATION

JANUARY 30, 2024 · EET/AEN HEARING

POSITION: Support.

RATIONALE: Imua Alliance supports SB 2525, relating to taxation, which amends the environmental response, energy, and food security tax to address carbon emissions; incrementally increases the tax rate over time; establishes a refundable tax credit to mitigate the effect of a carbon emissions tax on taxpayers; and requires reports to the legislature.

According to a report produced by the Hawai'i Climate Change Mitigation and Adaptation Commission, global sea levels could rise more than three feet by 2100, with more recent projections showing this occurring as early as 2060. In turn, over the next 30 to 70 years, approximately 6,500 structures and 19,800 people statewide will be exposed to chronic flooding. Additionally, an estimated \$19 billion in economic loss would result from chronic flooding of land and structures located in exposure areas. Finally, approximately 38 miles of coastal roads and 550 cultural sites would be chronically flooded, on top of the 13 miles of beaches that have already been lost on Kaua'i, O'ahu, and Maui to erosion fronting shoreline armoring, like seawalls.

Furthermore, according to research conducted by Michael B. Gerrard from Columbia Law School, modern-day slavery tends to increase after natural disasters or conflicts where large numbers of people are displaced from their homes. In the decades to come, says Gerrard, climate change will very likely lead to a significant increase in the number of people who are displaced and, thus vulnerable, to human trafficking. While the Paris Climate Agreement of 2015

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

Therefore, our state should take steps to protect Hawai'i's coastal areas, including by exploring carbon pricing options. A carbon tax is a fee imposed on the burning of carbon-based fuels (coal, oil, gas). More to the point, a carbon tax is the core policy for reducing and eventually eliminating the use of fossil fuels whose combustion is destabilizing and destroying our climate, forcing users of carbon fuels pay for the climate damage caused by releasing carbon dioxide into the atmosphere. If set high enough, a carbon tax can be a powerful monetary disincentive that motivates switches to clean energy across the economy by making it more economically rewarding to employ non-carbon fuels and energy efficiency.

Utilizing existing tax collection mechanisms, a carbon tax is paid "upstream," i.e., at the point where fuels are extracted and inserted into the stream of commerce or imported into the U.S. Fuel suppliers and processors are free to pass along the cost of the tax to the extent that market conditions allow, with market forces simultaneously creating a monetary incentive to reduce carbon dioxide emissions and help our planet curb the climate crisis's global warming effect. Carbon that is chemically bound into manufactured products—such as plastics—are not be taxed under a carbon tax scheme. This measure would offset a carbon tax's regressivity by instituting a dividend for taxpayers, which could amount to a credit of \$480 to \$960 at its height, the greatest benefit of which would be felt by low-income families.

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

SB-2525

Submitted on: 1/29/2024 12:31:22 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Matthew Geyer	Individual	Support	In Person

Comments:

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

I strongly support SB 2525 because we need to take urgent action on climate change to maintain the livability of our planet by reducing carbon emissions.

I also support SB2525 because it provides a financial benefit to low and middle-income households across Hawai‘i.

SB2525 will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i and use the tax revenues to fund a rebate that will be distributed to Hawai‘i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai‘i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

Please support this bill and encourage your colleagues across the legislature to support it as well.

Aloha,

Matthew Geyer

ON THE FOLLOWING MEASURE: SB NO. 2525 - RELATING TO TAXATION

BEFORE THE:

**COMMITTEES ON ENERGY, ECONOMIC DEVELOPMENT AND TOURISM;
AND AGRICULTURE AND THE ENVIRONMENT**

DATE: JANUARY 30, 2024

TIME: 1:01 PM

LOCATION: STATE CAPITOL, CONFERENCE ROOM 229

January 29, 2024

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

I urge you to support SB2525 to help meet two of Hawaii’s greatest challenges – affordability and sustainability. To transition from fossil fuels to clean, renewable energy sources, our State’s environmental policies must empower and improve the well-being of our low-income and most vulnerable residents. The transition can’t work for just those who can afford solar panels and electric cars, but must also include and improve the lives of the many households struggling to get by.

- Forty-two percent of Hawaii households live below the ALICE income threshold, meaning they don’t have the income necessary to afford food, housing, and other basic necessities.¹
- Two of the biggest issues that impact Hawaii households overall are the inability to pay off debt and inability to afford housing.²
- Sixty percent of native Hawaiians fall below the ALICE threshold, and 46 percent of ALICE families struggle with paying their bills on time.³

The 2020-22 Hawaii Tax Review Commission, in its most recent report commissioned by the Legislature, identified a carbon tax and dividend as its number one priority for a more efficient and equitable tax policy.⁴ That is because it would do something very basic, progressive, and administratively efficient – give residents a source of income which they could use to help meet their most pressing needs.

Some might ask the question: “Won’t Carbon Cashback raise prices and therefore make low-income families worse off?” While the price of fossil fuels and some goods would increase, low- and middle-income residents’ “cash back” would more than offset these cost increases. A University of Hawaii Economic Research Organization (UHERO) study of this issue found that for

^{1, 2, 3} Aloha United Way; ALICE in Hawaii: 2022 Facts and Figures;

www.hawaiihealthmatters.org/content/sites/hawaii/ALICE_in_Hawaii_-_2022_Facts_and_Figures_Full_Report.pdf .

⁴ 2020-2022 Hawaii Tax Review Commission; Report of the 2020-2022 Hawaii Tax Review Commission; December 20, 2021; https://files.hawaii.gov/tax/stats/trc/docs2022/TRC_Report_2022.pdf .

every dollar in higher prices due to the carbon tax, a typical household below the ALICE threshold would get at least \$5 cash back, with the lowest income households benefitting the most.⁵

This is because higher income households and tourism tend to consume lots of fossil fuels and therefore would foot the bill for most of the taxes.

- The average household making more than \$165,000 per year would pay 16x more carbon tax than a household making less than \$40,000 annually, and 5x more than a household making less than \$70,000 per year.
- Once Carbon Cashback is fully phased in, the lowest income households would see their net income rise by over \$1,000 per year, and all but the wealthiest would be better off.
- Tourists from out of state, for whom prices would increase by about \$1.40 per day, would get no carbon dividend.

Carbon Cashback could also be viewed as a tax to promote more sustainable tourism. Hawaii visitors and the tourism industry would pay the tax on their fossil fuel consumption and get no “cash back.” Higher fossil fuel prices would help accelerate Hawaii’s entire tourism industry’s (and other sectors’) transition to zero-emission vehicles and charging stations, clean transit, solar installation, etc... And Hawaii middle- and lower-income residents benefit financially. Because of Hawaii’s huge tourism industry, Carbon Cashback would be more progressive here in Hawaii than it would be virtually anywhere else in the world.

To oppose Carbon Cashback would mean opposing a policy that would help achieve the State’s carbon neutrality goals while helping to ensure that low-income households are not left behind as the State transitions to a carbon-free economy. Carbon Cashback is not the only policy that Hawaii needs to achieve its energy goals in an equitable way, but it would be an effective and efficient one that complements other approaches, including regulations and subsidies. Carbon cashback would also represent a step in the right direction in addressing rising income inequality and poverty.

Carbon cashback represents a unique and innovative opportunity to meet two of Hawaii’s greatest challenges – affordability and sustainability. We have the responsibility to end our fossil fuel addiction and leave our keiki a livable planet. We also have a responsibility to help those less fortunate among us to meet today’s economic challenges with respect and dignity.

Please Support SB2525.

Respectfully,

Joe Calavita, California Air Resources Board (retired)

Oahu, HI

giuseppe916@gmail.com

⁵ The Economic Research Organization at the University of Hawaii (UHERO); Carbon Pricing Assessment for Hawaii Economic and Greenhouse Gas Impacts; April 23, 2021; https://energy.hawaii.gov/wp-content/uploads/2021/04/HawaiiCarbonPricingStudy_Final_Apr2021.pdf .

Senate Committee on Energy, Economic Development, and Tourism
Senate Committee on Agriculture and Environment
Hearing on Jan. 30, 2024 at 1:01 pm

SUPPORTING SB 2525

Aloha, my name is John Kawamoto, and I support SB 2525.

This bill is designed to reduce Hawaii's consumption of fossil fuel, which has been integrated into our economy and our lives for more than a century. For example, it is a major component of electricity generation, the transportation sector, and even food. Fossil fuel makes life so convenient that many people refuse to let it go – even gradually -- despite its threat to the livability of the planet and the risks it poses for future generations. This bill nudges them in the right direction.

SB 2525 is designed to reduce Hawaii's consumption of fossil fuel to reduce greenhouse gas emissions and mitigate climate change. A study by the University of Hawaii Economic Research Organization (UHERO), funded by the Legislature, shows that the model implemented by this bill would reduce emissions by 13% over 20 years, which is equivalent to eliminating 400,000 gas-powered cars. Very few bills being considered by the Legislature would do nearly as much.

The reduction in fossil fuel consumption is achieved through a tax on distributors. However, it is not a usual tax. Most taxes are regressive because they hit low-income families harder than high-income families. This one is progressive because of the dividend.

SB 2525 distributes the tax revenue, minus a small amount for administration, as a dividend in the form of a refundable tax credit to all who file for Hawaii income tax. Each taxpayer gets the same amount (dependents get half that amount), and they may spend it on anything they want. The UHERO study shows that most families would enjoy a net financial gain, as their dividend would more than cover the higher prices they pay resulting from the tax. This phenomenon is due largely to tourists contributing to the tax, but being ineligible for the dividend.

Since low-income families, on average, spend less on fossil fuel than high-income families, low-income families would contribute less toward the tax. Everyone gets the same dividend, and a result, low-income families would experience a net gain that is larger than that of high-income families. In this way SB 2525 promotes social justice.

The bill also has other strengths. It is administratively easy to implement because it uses an existing mechanism for the tax, the Environmental Response, Energy, and Food Security Tax, which would simply be increased. It also uses refundable tax credits, which the Tax Department already uses for other purposes. Administrative simplicity minimizes implementation costs. Furthermore, the bill is budget neutral, meaning that it does not require funding from outside sources.

In addition, SB 2525 complements most of the other efforts to reduce the consumption of fossil fuel. It will take a multitude of bills to transition Hawaii to a clean, renewable energy future because fossil fuel is so integrated into the economy and into our lives. SB 2525 should be one of them.

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

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawaii and use the tax revenues to fund a rebate that will be distributed to Hawaii residents in equal shares, which makes the bill progressive and financially protects most low- and middle-income households. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally.

In Hawaii, we are seeing many terrible results of climate change which we cannot ignore. Our lives will rapidly go downhill as we experience increasingly bad storms, floods, heat waves, wildfires, and droughts, and other effects as greenhouse gasses 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 rebate created by SB 2525 is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel directly and indirectly. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawaii must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

Carbon cashback implements a top recommendation of Hawaii's 2020-2022 Tax Review Commission and the Hawaii State Energy Office's Hawaii Pathways to Decarbonization.

We can't afford to ignore what is needed now. I hope you will understand that we need SB 2525.

Thank you for the opportunity to provide testimony in support of SB 2525.

Sincerely,
Charles E Cox
Makiki resident

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Douglas Hagan

Paia, HI 96779
dhagan111@gmail.com

Chair DeCoite, Vice Chair Wakai, Senator Favella, Senator Fukunga and Senator Kim,

2024 is the 5th year of introduction of Carbon Cashback. It has passed both the House and the Senate separately. Hundreds of pages of studies and testimony have been submitted in supporting carbon pricing and a fee and dividend approach. **Now is the time. Later is too late. We must act now for the future of our children and grandchildren.** I urge us to take bold action now and lead this great state to 10+ percent emission reductions. Please act now.

Mahalo for your kokua,

Douglas Hagan

Date: Jan. 29, 2024
To: EET & AEN Committees
From: Paul Bernstein, PhD
Re: **STRONG SUPPORT for SB2525 RELATING TO TAXATION**
Hearing: Jan. 30, 2024, 1:00PM

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

Thank you for hearing SB2525. I'm writing in **strong support**. I have analyzed the economic impacts of greenhouse gas abatement policies for over 25 years, and Carbon Cashback is the **only** policy I've studied that reduces emissions while being progressive and financially benefitting the majority of low- and middle-income households.

As a co-author of the carbon pricing study prepared for the Hawai'i State Energy Office (HSEO) as a requirement of Act 122, Session Laws of Hawai'i 2019 and the study prepared for the Tax Review Commission (2022), I support SB2525 for many reasons. Below are three key ones.

- 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) Studies conducted on British Columbia's carbon cashback program show the policy has had no measurable negative impacts on its economy.
- 3) It is progressive. In general, it financially benefits low- and middle-income households. The lowest income households gain the most with an increase in income of several hundred dollars a year in the later years of the policy. Again, the cashback provision in the bill distinguishes it from typical regressive energy taxes, such as a gasoline tax.

As a parent, I feel obligated to livable planet for future generations. I see carbon pricing with the returning of revenues to residents as the most efficient, effective, and equitable path forward for a cleaner Hawaii and planet while also protecting the most vulnerable among us.

Please pass SB2525 out of your committees.

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://files.hawaii.gov/tax/stats/trc/docs2022/Appendix_A.pdf

SB-2525

Submitted on: 1/27/2024 3:58:22 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Barbara Best	Individual	Support	Remotely Via Zoom

Comments:

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

This bill will actually lower fossil fuel emissions at least 10-14%. I don't know of any other bill that will do this. This figure comes from the UHERO (University of Hawaii Economic Research Office) studies, one commissioned by our Legislature and one by the Department of Taxation. The DOT recommends this bill, which it will administer. It is called Carbon Cashback: the fee charged to fossil fuel emitters and importers will be returned to all resident taxpayers (minus a small administrative fee) so that low- and middle-income families will not suffer from a rise in prices at the pump; they will actually come out financially ahead in most cases.

Carbon pricing was so successful in British Columbia that Canada adopted it. It has proven successful in other countries, has been endorsed by the IPCC of the UN, by Janet Yellen and two of her predecessor Secretaries of the Treasury, by the County of Maui and thousands of economists, environmentalists, environmental justice proponents and more.

As our state is the most vulnerable to the man-made climate crisis, it should lead the country in being the first to enact such a bill. Especially since Hawaii declared the climate change an emergency, this bill should be enacted this year to be part of the solution. (Such a policy called the Energy Innovation Act has been introduced in our Federal Congress.) Please help this efficient, equitable, vital bill to become law.

SB-2525

Submitted on: 1/28/2024 6:47:59 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Alden Collinson	Individual	Support	Remotely Via Zoom

Comments:

My name is Alden Collinson. I am a 17 year old youth from the Big Island and am concerned about Climate Change.

I **strongly** support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i and use the tax revenues to fund a rebate that will be distributed to Hawai‘i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai‘i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

SB-2525

Submitted on: 1/29/2024 12:35:33 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Kelly King	Individual	Support	Remotely Via Zoom

Comments:

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

I strongly support SB 2525 as a way to reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i and using the tax revenues to fund a rebate that will be distributed to Hawai‘i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai‘i must take a multi-pronged approach to do its part to reduce emissions, and this bill works in a much more inclusive and equitable way than carbon credits. While I understand that the legislature may be averse to additional taxes, the rebate this proposal offers makes it truly part of the just transition that we hear so much about but see so little action to achieve!

SB-2525

Submitted on: 1/27/2024 11:27:33 AM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

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

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i and use the tax revenues to fund a rebate that will be distributed to Hawai‘i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai‘i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

Talking Points (to help you write your own testimony—you can simply insert these bullets into your testimony, or click on them to read more):

1. [Urgent effective action on climate change is needed to maintain the livability of our planet.](#)
2. [Carbon cashback benefits low- and middle-income households.](#)
3. [Carbon cashback delivers emission reductions consistent with Hawai‘i’s goals.](#)
4. [Carbon cashback strengthens and complements other emission reductions programs.](#)
5. [Carbon cashback is good for the economy.](#)
6. [Carbon cashback is easy to implement because](#) it uses existing administrative mechanisms.
7. [Carbon pricing is efficient—it would pay for itself and not grow the government.](#)
8. [Carbon pricing has been successful elsewhere.](#)
9. [Carbon cashback brings along visitors to be part of the solution.](#)
10. [Carbon pricing is effective and has broad support.](#)
11. [Carbon cashback implements a top recommendation of Hawai‘i’s 2020-2022 Tax Review Commission and the Hawai‘i State Energy Office’s Hawai‘i Pathways to Decarbonization.](#)

12. [State-level action can lead to national carbon pricing](#)
13. [Carbon cashback is NOT a gasoline tax](#)

SB-2525

Submitted on: 1/27/2024 11:43:57 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Sunny Savage	Individual	Support	Written Testimony Only

Comments:

In strong support

SB-2525

Submitted on: 1/28/2024 2:58:04 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
John Latkiewicz	Testifying for Capture the Carbon (KCAC)	Support	Written Testimony Only

Comments:

I am writing in support of SB2525. SB2525 supports the cash back approach to putting pressure on primary polluters while at the same time incentivising support via providing cash incentives to the population of Hawaii.

Please support SB2525

SB-2525

Submitted on: 1/27/2024 1:31:11 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Millicent Cox	Individual	Support	Written Testimony Only

Comments:

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

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i and use the tax revenues to fund a rebate that will be distributed to Hawai‘i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai‘i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

Carbon Cashback is good for the economy and for residents of Hawaii. It is not a gasoline tax.

SB-2525

Submitted on: 1/27/2024 2:07:36 PM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

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

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai'i and use the tax revenues to fund a rebate that will be distributed to Hawai'i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai'i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

SB-2525

Submitted on: 1/27/2024 4:37:21 PM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

Please pass SB2525. a common sense measure which provides economic incentives for people to use less climate-damaging fossil fuels, while refunding funds collected back to residents.

SB-2525

Submitted on: 1/28/2024 5:26:28 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
robin knox	Individual	Support	Written Testimony Only

Comments:

Increasing carbon taxes and refuning those who bear the economic burden is both good tax policy and environmental policy

SB-2525

Submitted on: 1/27/2024 4:40:51 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Travis Idol	Individual	Support	Written Testimony Only

Comments:

I support SB2525 because it has the potential to be an effective tool to internalize some of the true costs of the climate-wrecking effects of excess greenhouse gas (GHG) emissions associated with the modern "growth at any cost" socioeconomic system we have created without taking into account its effects on the things that really matter and that truly sustain us.

A "carbon cashback" tax and refund program is not a silver bullet, of course. Some of its skeptics and opponents may argue that it is a greenwashing tool that legitimizes GHG emitting industries and passes the costs along to consumers. I disagree. I liken this more to a "sin tax", such as the ones we put on alcohol and especially tobacco products. The goals of the tax are to discourage certain behaviors and consumer choices for the benefit of themselves and society AND to internalize those costs. In the case of the tobacco tax, it helps fund cancer research and outreach to reduce smoking and tobacco use among our youth. Carbon cashback is meant to be revenue neutral and flexible, ramping up over time to increasingly penalize GHG-intensive products and services and stimulate innovation, diversity, and the supply of regenerative and GHG-neutral alternatives that are more sustainable, overall.

SB2525 may be criticized as a regressive tax, since those who can least afford it often live further away from work and places to shop and receive necessary services and have less infrastructure and fewer resources dedicated to renewable energy, non-automobile transportation, and even local and healthy foods. However, the bill is intended to, and should be implemented in a way that, returns the most of these revenues to these households. While they will feel the sting with their purchases, they will have more revenue to keep from falling behind financially. They are also more likely, as well all will be, to recognize the costs of unsustainable economic activities and change their personal habits as well as demand social and political changes that promote more sustainable ways of living.

As I mentioned, this tool is one of many that need to be deployed with haste; thus, it should be integrated with other tools and policies. For example, we need a GHG emissions cap for various industries. This would complement the carbon cashback tax, preventing certain industries or products and services from relying on continued high demand or limited supply to overcome the added cost of their GHG emissions. An analysis can reveal the geographical areas and lifestyle activities that would be most affected by the added cost of a carbon cashback tax. Investment in renewable, regenerative, and sustainable alternatives and community development could then be directed based on these analyses.

What we need to avoid is a pure market-driven approach to programs like this. We need to make choices collectively with a holistic understanding of community needs and capabilities as well as a strong understanding of the socioecological systems we live in and the places we call home. Thus, a carbon cashback program needs to be deployed intentionally and selectively but also with sufficient built-in flexibility to respond to how it performs in reality and to adapt to changing conditions. Goals, criteria and indicators should be built into an evaluation system as part of this plan, much like they are used in sustainability certification programs. This will help with planning and implementation as well as evaluation, reporting, and adaptation. This will also allow the oversight and governance of this and related programs to be more transparent and open to public participation.

In short, I absolutely support a carbon cashback program as included in SB2525. I am no energy expert, so I welcome scrutiny, debate, and amendments to this bill. However, we are way past the time in which the true costs of excessive GHG emissions from our human activities are accounted for in the system we have created and can help spur the transformation of our system to one that functions as part of a harmonious, just, and sustainable socioecological system here in Hawai'i and around the world.

SB-2525

Submitted on: 1/28/2024 5:39:33 AM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

I visit Hawaii regularly and hate to think of its beaches underwater in the near future. Already about 95% of its reefs are dead. This most vulnerable state, which has declared climate change an emergency needs to act quickly to do everything possible to stave off effects of the climate crisis, which is obviously here now, as we've seen from the August wildfires. There is much to do. Enacting the Carbon Cashback bill is one thing that the Legislature can do since lowering greenhouse gas emissions any amount will help slow down effects of climate change with the bonus of helping low-income families and some middle-income families. Please don't bypass this opportunity to act now and use this vital tool to promote a healthier environment for Hawaii. So many throughout the world love Hawaii and care deeply about its future. I'd be happy to help Hawaii by paying the extra costs to help reduce its emissions in an equitable way.

SB-2525

Submitted on: 1/28/2024 10:30:39 AM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

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

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i and use the tax revenues to fund a rebate that will be distributed to Hawai‘i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai‘i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

SB-2525

Submitted on: 1/28/2024 10:42:06 AM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

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

Thank you for hearing SB 2525. I strongly support this bill because it is a powerful way for Hawai'i to address climate change, the overarching problem of our time. This bill will reduce carbon emissions by charging a fee to companies that import fossil fuels into Hawai'i and using that income to fund a rebate that will be distributed to Hawai'i residents in equal shares. The carbon fee will cause a reduction in carbon emissions by rewarding businesses and individuals for using less fossil fuel. In the 2023 Hawai'i legislative session, a multitude of bills were introduced that were dedicated to mitigating climate change, including a faster transition to clean, renewable electricity generation, a faster transition to electric vehicles, and buildings that are more efficient. Carbon Cashback would strengthen all of these. Implementing a carbon fee adds an incentive to conserve energy, transition to cleaner technologies, and operate existing technologies more efficiently. Acting later on climate change will be too late. Thank you.

SB-2525

Submitted on: 1/28/2024 11:10:10 AM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

We have so much to do in the climate arena. We must take every action we can to reduce the use of petroleum products. This plan appears to be an ingenious arrangement.

SB-2525

Submitted on: 1/28/2024 11:41:08 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Melissa Barker	Individual	Support	Written Testimony Only

Comments:

Honorable Senators,

I respectfully ask that you support SB2525, the Carbon Cashback bill.

SB2525 will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i and use the tax revenues to fund a rebate that will be distributed to Hawai‘i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai‘i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

Thank you for your attention and consideration.

Melissa Barker

Kapaa, HI

SB-2525

Submitted on: 1/28/2024 12:14:43 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Cathryn Kelley Smith	Individual	Support	Written Testimony Only

Comments:

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

Thank you this opportunity to testify in support of SB 2525.

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai'i and use the tax revenues to fund a rebate that will be distributed to Hawai'i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai'i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

SB-2525

Submitted on: 1/28/2024 12:43:20 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Breon Michel	Individual	Support	Written Testimony Only

Comments:

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

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai'i and use the tax revenues to fund a rebate that will be distributed to Hawai'i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai'i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

Mahalo for your consideration,

Breon Michel

SB-2525

Submitted on: 1/28/2024 1:09:44 PM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

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

I strongly support SB2525 because it delivers on emission reductions consistent with Hawaii's goals. Hawaii has declared a climate emergency and set a goal to be carbon negative by 2045. If we are to do so, we need to reduce our emissions economy-wide. We need a policy that addresses emissions in all sectors. SB2525 would lead to about a 10% reduction in cumulative CO2 emissions from 2025 to 2045.

Source: University of Hawai'i Economic Research Organization (UHERO) study entitled (April 2021)

Mahalo

Keith Neal

SB-2525

Submitted on: 1/28/2024 2:44:39 PM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

I strongly support SB2525 because it will increase Hawaii's adoption of clean energy and work to further reduce our reliance on imported fossil fuels.

The benefits that will result from passage of SB2525 include:

Saves Lives

SB2525 will help to improve health by a reducing black carbon particulate mater (PM2.5) air pollution. Trade winds typically clear visible air pollution in Hawaii (except for the occasional bad vog days). However, non point source pollution from Hawaii's approx 1 million gas and diesel vehicles is always present and is evident from the soot that collects near our roads and highways and is especially problematic for the thousands of people living close by and downwind of Honolulu freeways.

Affordable Energy

SB2525 will result in more affordable electrical energy. Per a Dept of Economic Development and Tourism Report, Hawaii spent \$4.7 billion on petroleum expenditures in 2018. This money goes to the mainland fossil fuel companies who in 2023 had record subsidies and record profits – the money could be far better spent in Hawaii. Petroleum fuel goes up in smoke as collectively we burn it, primarily for transportation, and for electrical energy while the cost of wind, solar and battery storage continues to fall.

Money in Peoples Pockets

SB2525 is a progressive bill that supports individuals and households during our urgently needed transition to a clean energy future.

People pay for dirty energy in many ways; in the price of almost all goods and services, the price at the pump, increased health care, taxes needed to pay for extreme weather damage, adaptation expenses to minimize future damage caused by climate change.

Net Zero by 2045

Experience indicates that people's personal driving habits are relatively insensitive to the price at the pump. However, decadal decisions, such as choosing your next car, buying a new appliance, or even deciding where to live, will be influenced by energy efficiency and energy costs, and these decisions in time result in significantly reduced emissions. In tandem with other necessary actions, SB2525 will help us achieve our Hawaii State goal of net zero by 2045.

Leadership by Example

Passage of SB2525 will be a first-in-the-nation example for other states (who may have much larger emissions than Hawaii) and it will send a powerful message to Congress to urge passage of national carbon fee and dividend legislation such as the Energy Innovation and Carbon Dividend Act 2024 (H.R. 5744) now before Congress.

I respectfully urge your support for SB2525.

Thank you for your consideration,

Roberta Baker, Hilo, Hawaii

SB-2525

Submitted on: 1/28/2024 2:52:24 PM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

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

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i and use the tax revenues to fund a rebate that will be distributed to Hawai‘i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai‘i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

JN Makawao

SB-2525

Submitted on: 1/28/2024 2:53:49 PM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

Subject: Strong Support for SB2525

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

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i and use the tax revenues to fund a rebate that will be distributed to Hawai‘i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai‘i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

Mahalo for your consideration, Nisha

SB-2525

Submitted on: 1/28/2024 5:08:29 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
ALICE MCDERMOTT	Individual	Support	Written Testimony Only

Comments:

Aloha Chair DeCoite, Chair Gabbard, and members of the EET & AEN Committees,

I strongly support SB2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai'i and use the tax revenues to fund a rebate that will be distributed to Hawai'i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. I like that the rebate is revenue-neutral.

Please pass SB2525 for Hawai'i and it's citizens.

Mahalo, Alice McDermott, Resident of Hawaii for years.

SB-2525

Submitted on: 1/28/2024 5:26:15 PM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

In strong support. Thank you.

SB-2525

Submitted on: 1/28/2024 5:44:35 PM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i and use the tax revenues to fund a rebate that will be distributed to Hawai‘i residents in equal shares.

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

The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies.

Carbon cashback is good for the economy

A gradually rising price on carbon pollution would allow for predictability so businesses can better plan for the future. Knowing that prices for energy and fuels would rise in a measured way each year would allow business leaders to plan and budget for measures that increase efficiency and reduce consumption. It would offer flexibility in their response—they can maximize resources by implementing energy efficiency measures, deploying renewables, and cutting fuel consumption.

The same advantages apply to households. In addition, all households on average would do better financially if 80% to 100% of the tax revenues are returned to people. According to [the UHERO study](#), the majority of Hawaii’s families would experience a net financial gain, as their refundable tax credits would more than compensate for the increase in prices resulting from the carbon tax.

By helping the economy transition away from fossil fuels, carbon cashback would ultimately help the economy as it would become less and less susceptible to volatile fossil energy prices. Kauai has experienced this benefit first hand as its electricity prices rose by only 10% compared to 50% for the HECO territories because KIUC has a far higher share of renewables on its grid.

SB-2525

Submitted on: 1/28/2024 6:44:45 PM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

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

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai'i and use the tax revenues to fund a rebate that will be distributed to Hawai'i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai'i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

SB-2525

Submitted on: 1/28/2024 9:25:04 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Alika Valdez	Individual	Support	Written Testimony Only

Comments:

I support this.

SB-2525

Submitted on: 1/28/2024 6:54:11 PM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

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

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai'i and use the tax revenues to fund a rebate that will be distributed to Hawai'i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai'i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

SB-2525

Submitted on: 1/28/2024 10:45:48 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Whitney Young	Individual	Support	Written Testimony Only

Comments:

Subject: Strong Support for SB2525

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

I am writing to express my enthusiastic support for SB 2525, a crucial piece of legislation that addresses the pressing issue of carbon emissions in Hawai'i. The comprehensive approach of this bill, particularly its focus on incentivizing businesses and individuals to reduce their reliance on fossil fuels, aligns perfectly with our shared commitment to combat climate change.

The carbon tax proposed by SB 2525 is a commendable initiative, as it not only places responsibility on companies that import fossil fuels but also establishes a mechanism to fund rebates for Hawai'i residents. This dual strategy not only reduces carbon emissions but also ensures that the burden and benefits are shared equitably among our community.

One aspect that stands out is the progressive nature of the bill, demonstrated by the uniform rebate distribution regardless of income. As highlighted in the UHERO studies, this approach ensures that most families will experience a net financial gain, creating a fair and inclusive impact. It is particularly heartening to note that low-income families stand to gain more significantly, as they typically use less fossil fuel.

SB 2525 is a critical component of a multi-pronged approach necessary for Hawai'i to fulfill its commitment to reducing emissions. The bill's revenue-neutral design, where the rebate is funded by the carbon tax on importers, reinforces its sustainability and financial feasibility. Moreover, the bill complements other ongoing efforts, emphasizing the importance of a unified approach in tackling climate change.

In supporting SB 2525, we are taking urgent and effective action on climate change, aligning with Hawai'i's emission reduction goals. The bill not only benefits households but also contributes to the broader economy, all while utilizing existing administrative mechanisms and efficiently implementing carbon pricing without unnecessary government growth.

I urge the committee to consider the broad support for SB 2525, as it aligns with the recommendations of Hawai'i's Tax Review Commission and the Hawai'i State Energy Office's Hawai'i Pathways to Decarbonization. Furthermore, the bill's potential to influence national carbon pricing emphasizes the leadership role Hawai'i can play in driving environmental change.

Thank you for your dedicated consideration of SB 2525, a proactive step towards a sustainable and resilient future for our beloved Hawai'i.

Mahalo for your time and commitment,

Whitney Young

SB-2525

Submitted on: 1/29/2024 12:13:23 AM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

Support

SB-2525

Submitted on: 1/29/2024 6:33:14 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Molly Whiteley	Individual	Support	Written Testimony Only

Comments:

I Strongly Support Carbon Cashback as the most effective way to reduce carbon emissions significantly before it's too late. We can't wait for federal legislation on this. Mahalo.

Testimony of Robert Archer before the Hawaii Senate regarding HCR124

April 13, 2023

I encourage the Senate to approve HCR124 and confirm Hawaii's leadership in climate policy. The need remains for greater climate action. While the passage of the Inflation Reduction Act is a significant political accomplishment, its climate impact of 7%-12% additional reductions by 2030 makes it clear further action is needed.

The pathway forward for greater reductions, both nationally and globally, requires an approach that is economically efficient, effective in terms of climate results and, most importantly, **equitable in its impact**.

That approach is the policy of a carbon fee and carbon cashback household dividend.

A World Bank analysis of carbon pricing experience around the world found that prices were chronically low. A primary reason cited was the adverse impact of higher carbon prices on households. This legitimate concern is fully addressed by the carbon cash back element of the policy.

This policy has friends in high places. The heads of the European Union, International Monetary Fund and the World Trade Organization have all advocated coordinated carbon pricing across countries. The G-7 countries (U.S. Germany, UK, France, Italy, Canada, Japan) have agreed to work toward a common carbon price. Most have started with a carbon price leaving the U.S. as the hole in the donut.

Consequently, Hawaii's initiative to act will establish an effective, efficient and equitable model for Congress and the Administration to follow.

In summary,

The carbon fee will:

- reduce emissions in the most economically efficient manner
- accelerate clean energy innovation
- make the IRA more effective
- create clean energy jobs and maintain economic growth

The carbon cash back household dividend will:

- be the most equitable climate policy anywhere
- make the bottom 2/3 of households come out ahead
- not increase the budget deficit

Robert Archer

Ross, California

Citizens' Climate Lobby

Economics Policy Network Voluntary Team Leader

SB-2525

Submitted on: 1/29/2024 6:46:04 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Emily Garland	Individual	Support	Written Testimony Only

Comments:

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

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i and use the tax revenues to fund a rebate that will be distributed to Hawai‘i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai‘i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

Mahalo nui,

Emily

SB-2525

Submitted on: 1/29/2024 7:34:19 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Adam Yanow	Individual	Support	Written Testimony Only

Comments:

I support Carbon Cashback as an essential and effective means of reducing carbon emissions, and as an accelerator to all other actions we can take to save our fragile ecosystem. It is highly successful elsewhere and broadly supported. It brings along visitors as part of the solution. It is not a gas tax. It is good for the economy and will stimulate more rapid implementation of clean energy sources.

Respectfully,

Adam Yanow

SB-2525

Submitted on: 1/29/2024 7:45:48 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Ray Welch	Individual	Support	Written Testimony Only

Comments:

Businesses and individuals can't volunteer society's way out of the climate crisis. Our economic system must intrinsically support low-carbon actions. Carbon Cashback is exactly the realignment that will encourage low-carbon products and services. It will create a virtuous circle of ever-compounding GHG reductions.

Under Carbon Cashback, nobody has to agonize in the supermarket aisle over which loaf of bread is the most environmentally responsible. They just have to buy the lower-priced choice. Under Carbon Cashback's annually escalating carbon fee, the lower-priced choice will tend to be the lower-carbon choice. Producers of goods and services will race to squeeze carbon out of their upstream processes in order to remain price-competitive.

The Cashback feature will protect all people from the rising costs of harder-to-avoid high-carbon goods like gasoline. It will also present an opportunity for people to earn a profit from reducing their personal carbon footprint. Anyone who can keep their carbon footprint below average will net more money than they spend on any carbon fees that sellers pass along to the retail level.

Because of this math, virtually all low-income people will actually make money under Carbon Cashback because they are intrinsically low-carbon consumers. It's the wealthy who tend to have heavy carbon footprints, because they buy far more goods and services. And they can choose to reduce their footprint to avoid these added costs, too.

We got into the climate mess through normal economic activity, and it's a big part of how we have to get out of it.

SB-2525

Submitted on: 1/29/2024 8:08:31 AM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

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

My name is Maddy, and I grew up in Honolulu. I currently live in California, as a recent college graduate, but I wanted to express my strong support for SB 2525 because Hawai‘i is still a very important place to me—it is where my family lives and where I return to visit multiple times a year. I value protecting our islands from the threats of climate change and related sea level rise. I believe that SB 2525 is an economically efficient step towards mitigating the impacts of climate change. It is also critical that we care for our local communities, and SB 2525 helps achieve this by returning money to Hawai‘i’s citizens.

SB-2525

Submitted on: 1/29/2024 8:34:03 AM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

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

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i and use the tax revenues to fund a rebate that will be distributed amongst our local communities. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai‘i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

Mahalo,

Jacob

SB-2525

Submitted on: 1/29/2024 8:52:02 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Weston Otterson	Individual	Support	Written Testimony Only

Comments:

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

I'm testifying in strong support of SB 2525 because I care about the climate and we need to reduce our emissions in the most efficient manner while also protecting low- and middle-income households while holding large polluters accountable.

Mahalo,

Weston Otterson

SB-2525

Submitted on: 1/29/2024 8:53:14 AM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

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

I strongly support SB 2525. This bill is critically important to Hawaii’s future and I urge you to pass it. The increase in the barrel tax will substantially reduce the use of fossil fuels in the State and go a long way toward meeting Hawaii’s goal of becoming carbon neutral by 2045. With most of the tax revenues going back to households in equal shares, and visitors to Hawaii contributing to those revenues, most families in the State will actually come out ahead, particularly those with lower incomes.

The bill implements the top recommendation of Hawaii’s 2020-2022 Tax Review Commission and a key recommendation of the Hawaii State Energy Office's just-released "Hawaii Pathways to Decarbonization."

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

Thank you,
Thomas Graham, Honolulu

SB-2525

Submitted on: 1/29/2024 9:18:00 AM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

As a retired physician with children and grandchildren living in Hawaii I support SB2525 as a measure to promote long-term well-being of the Hawaiian community. The bill translates into real action to meet Hawaii's 2045 goal of 100% clean energy and 100% carbon neutrality. The rebate mitigates impact on lower income individuals and families. Noting that tourists will pay a portion of the tax without tax credit the bill also serves as a kind of progressive green fee tourist tax. Administrative/regulatory/bureaucratic burden is minimal. It incentivizes individuals and organizations to choose from and develop low-carbon-impact energy use options. It is true that long-term impact on global climate change will require adoption of similar measures at a national/global scale but this bill results in Hawaii taking a vanguard lead in this effort. Let us lead at a national and global level with a bill designed to help Hawaiian individuals, families, and communities in the course of energy transition.

Eric Lindborg MD

SB-2525

Submitted on: 1/29/2024 9:20:53 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Reid Townsend	Individual	Support	Written Testimony Only

Comments:

Carbon pollution is at the heart of climate change, and it is our responsibility today to leave a thriving world for our children and grandchildren. We cannot wait for the next generation to solve the problem. Action is needed today - later is too late.

I fully support the carbon cashback proposal. SB2525 (and HB2178) are:

1) **Effective.** Just like how cigarettes were taxed to reduce the harmful effects of tobacco pollution, instituting SB2525 would create a carbon pollution tax, and use market forces to create incentives to shift behavior towards a lower-carbon way of life.

2) **Equitable.** The bill returns a dividend to Hawaii residents, and increases household net spending power. The cost of living is already high, and returning a dividend to the people would actually improve the financial situation for the majority of households; this bill especially benefits low- and middle-income households. It is imperative that the proceeds from carbon pollution tax do not go to business or special interests.

3) **Complimentary** with other climate solutions and policies. The climate and environment is a very complex system, and we need many solutions, all working together, to affect the change we need. A carbon pollution tax boosts other solutions and is not mutually exclusive.

4) **Comprehensive.** Tourists would also pay the tax, ensuring they pay their share. This also boosts the dividend for Hawaii residents.

5) **Economical.** Tax & dividend uses existing administrative pathways and is low cost to implement.

There is a [study](#) from UH Economists that back up these points. Also, the [HSEO report](#) released in January on decarbonization pathways supports a carbon tax & dividend strategy as pricing mechanism.

Please support this bill - action is needed today to preserve our tomorrow.

Aloha,

-Reid Townsend

SB-2525

Submitted on: 1/29/2024 9:56:54 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Debra Patrick	Individual	Support	Written Testimony Only

Comments:

My family frequently visits Hawaii and we all love scuba diving and exploring the beaches of the various islands. We are very concerned about the damage climate change is causing and will continue to cause to the reefs. Hawaii had a 90% reef bleaching event in 2014-2015 and according to a study led by University of Hawaii, [Climate change could kill coral reefs by 2100](#). Hawaii has already declared climate change an emergency, but we need to take major steps immediately to stop its devastating effects. The recent wildfires are another reminder that we need to act quickly. Enacting the Carbon Cashback bill is one thing that the Legislature can do since lowering greenhouse gas emissions any amount will help slow down effects of climate change with the bonus of helping low-income families and some middle-income families. Please don't bypass this opportunity to act now and use this vital tool to promote a healthier environment for Hawaii. So many throughout the world love Hawaii and care deeply about its future. I'd be happy to help Hawaii by paying the extra costs to help reduce its emissions in an equitable way.

SB-2525

Submitted on: 1/29/2024 10:31:51 AM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

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

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i and use the tax revenues to fund a rebate that will be distributed to Hawai‘i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai‘i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

Talking Points (to help you write your own testimony—you can simply insert these bullets into your testimony, or click on them to read more):

1. [Urgent effective action on climate change is needed to maintain the livability of our planet.](#)
2. [Carbon cashback benefits low- and middle-income households.](#)
3. [Carbon cashback delivers emission reductions consistent with Hawai‘i’s goals.](#)
4. [Carbon cashback strengthens and complements other emission reductions programs.](#)
5. [Carbon cashback is good for the economy.](#)
6. [Carbon cashback is easy to implement because](#) it uses existing administrative mechanisms.
7. [Carbon pricing is efficient—it would pay for itself and not grow the government.](#)
8. [Carbon pricing has been successful elsewhere.](#)
9. [Carbon cashback brings along visitors to be part of the solution.](#)
10. [Carbon pricing is effective and has broad support.](#)

11. [Carbon cashback implements a top recommendation of Hawai'i's 2020-2022 Tax Review Commission and the Hawai'i State Energy Office's Hawai'i Pathways to Decarbonization.](#)
12. [State-level action can lead to national carbon pricing](#)
13. [Carbon cashback is NOT a gasoline tax](#)

me ke aloha 'āina,

Nanea Lo

SB-2525

Submitted on: 1/29/2024 10:32:53 AM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

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

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i and use the tax revenues to fund a rebate that will be distributed to Hawai‘i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai‘i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

After experiencing the rolling blackouts on Oahu this January, it is very clear that we must find additional methods of curbing fossil fuel usage in our push to reduce carbon emissions. We can not look only to solar energy or any alternate fuel to curb fossil fuel usage. Rainy days, windless days, happen and will leave us vulnerable to rolling blackouts. We must also work to encourage a change in how people think and live. We must encourage the use of public transit, biking, carpooling, etc. in conjunction with developing alternative energy sources. I feel strongly that Bill SB2525 will help encourage people to think before they drive. The higher cost of fossil fuels will make reducing fossil fuel usage appealing. And as said before, the rebate will reduce the financial impact or in most cases be a net gain for the individual fossil fuel user.

In addition, here are some interesting information about how:

Carbon pricing has been successful elsewhere

British Columbia implemented its carbon tax in 2008, and it is currently at [\\$65/ton](#). Studies have shown that it has had a minimal impact on the economy, while reducing emissions between 5 and 15%. The carbon tax has been so effective in British Columbia that the entire country of Canada has adopted it.

Sweden implemented a carbon tax in 1991 and has the highest price globally, at [\\$137/ton](#). It reduced its emissions by 25% by 2000. At the same time, [its economy grew by 60%](#).

Please pass SB2525. Our environment and our children are depending on us to start now to continue our striving for a healthier world.

Thank you for your time and work.

Rachel Bernstein

SB-2525

Submitted on: 1/29/2024 10:42:34 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

I strongly support SB2525. This bill would reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i, and use the tax revenues to fund a rebate that will be distributed to Hawai‘i residents in equal shares, helping residents through the transition to clean energy by offsetting any additional energy costs residents might incur.

Carbon taxes reduce emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. According to UHERO analysis, most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay transitioning away from fossil fuels.

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

SB-2525

Submitted on: 1/29/2024 10:55:11 AM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

Subject: Strong Support for SB2525

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

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai'i and use the tax revenues to fund a rebate that will be distributed to Hawai'i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai'i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

Mahalo for your consideration, Jaymen Laupola

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

January 30, 2024

Testimony of Larry J. Kane, an individual, on SB 2525

**To: Chairwoman Lynn DeCoite and Members of the EET Committee and
Chairman Mike Gabbard and Members of the AEN Committee**

Thank you for the opportunity to testify in support of SB 2525 .

By now, no one can credibly deny that climate change presents a worldwide problem of the first order. Global average temperatures have been steadily rising since the mid-20th Century, and already have risen around 1.1°C above those of the late 1800s. In 2023, high temperatures from around the world set all-time records. The rising global temperatures have led to a plethora of worsening climate impacts, including severe storms, torrential rains, and flooding in many areas, while elevated temperatures, extended droughts and concomitant wildfires afflict many other parts of the world, including such disparate areas as the American Southwest and Siberia's boreal forests. The Arctic regions are warming three to four times faster than the Earth's temperate and tropical zones, resulting in rapid melting of Arctic sea ice and glaciers. We may be past the point of no return at which the melting of Greenland's ice cover and most mountain glaciers of the world is irreversible. Melt waters from polar ice and glaciers are already measurably contributing to sea level rise, which will continue to worsen. The permafrost of Arctic tundra is also melting, which is allowing the release of substantial quantities of methane, a greenhouse gas much more potent than carbon dioxide in causing global warming.

Moreover, the science is conclusive on the primary causation of these climate impacts: emissions of carbon dioxide (CO₂) and other greenhouse gases resulting from production and combustion of coal, petroleum and other fossil fuels that have steadily and dramatically increased since the 1950s. Emissions from fossil fuel combustion have produced rising atmospheric CO₂ levels that have closely tracked the increasing global temperatures. The average atmospheric level of CO₂ reached 422 parts per million in 2023, the highest in over 3 million years.

So, the question remains – **what do we do about it?** How can we mitigate the climate disruption already underway? Unfortunately, as a nation we have tended to ignore this issue for much too long, due largely to extensive lobbying by the fossil fuel industry over many decades to prevent or delay governmental efforts to reduce carbon emissions. We must become energized to get to work employing all available tools NOW.

The federal government has at long last begun to shrug off the debilitating effect of lobbying by fossil fuel interests. With the passage of the 2021 Bipartisan Infrastructure legislation and the Inflation Reduction Act of 2022, hundreds of billions of dollars are being made available to subsidize many measures that will help reduce carbon emissions, including modernization and expansion of the national electric transmission grid, development of renewable energy sources, including solar and wind farms, green and blue hydrogen, battery storage, production of electric vehicles (EVs), installation of a base network of EV charging stations, and more.

While these national legislative actions are a good start, they are not enough to bring about the rapid transition from a fossil fuel energy economy to one dominated by clean, renewable energy sources that is needed to reduce U.S. greenhouse gas emissions at a scale and timeline that will allow the world to stay close to the goals set in the 2015 Paris Agreement. Nor are they enough to position the State of Hawaii to achieve the zero emissions, clean economy target established in Act 15, Session Laws of Hawaii 2018.

These new federal legislative enactments consist almost entirely of financial incentives to take actions that are conducive to reductions in carbon emissions. They are positive inducements to change. But, given the urgency of our situation, we also need to create negative inducements or disincentives regarding the use of fossil fuels. This complementary approach will be more effective in reducing our persistent utilization of fossil fuels and their attendant carbon emissions.

SB 2525 proposes to establish disincentives to the use of fossil fuels in Hawaii through the institution of a tax on carbon emissions. The carbon emissions tax would be added by SECTION 6 of SB 2525 to the state environmental response, energy, and food security tax previously established in Section 243-3.5, Hawaii Revised Statutes, for application to the sale of various fossil fuels, such as petroleum products, coal, and natural gas. The proposed carbon emission tax rates for petroleum products would be incorporated into Hawaii's longstanding barrel tax on such products to simplify its application. The carbon emissions tax rate applying to the sale of a particular fossil fuel would be based on the amount of greenhouse gases – primarily carbon dioxide, methane, and nitrous oxide – that would be emitted to the atmosphere from combustion or other use of a unit amount of that fossil fuel. As proposed under SB 2525, the carbon tax for each fossil fuel would start relatively low when it first becomes applicable in January 2025 and then would gradually increase each subsequent year.

Since the imposition of a carbon emissions tax could produce some increase in consumer prices relating to energy usage, the introduction of a carbon emissions tax would be coupled with the establishment of a carbon cashback program as proposed, primarily, in SECTION 3 of SB 2525. Under the carbon cashback program, the revenues generated by the carbon emissions tax would be distributed annually to all qualifying resident taxpayers and their dependents through a refundable carbon cashback tax credit. The tax credits are, as I understand it, designed to compensate qualifying Hawaiian citizens (an individual taxpayer who has been a resident of Hawaii for at least 9 months of the tax year) for any increased costs of living attributable to the carbon emissions tax.

As SECTION 1 of SB 2525 recounts, the establishment of a carbon tax on fossil fuel emissions is, according to an impressive consensus of expert economists, the most effective governmental policy measure available to disincentivize the continued use of fossil fuels for energy production. Fortunately, the Hawaii State Legislature now has the benefit of the study entitled “Carbon Pricing Assessment for Hawai‘i: Economic and Greenhouse Gas Impacts” that was conducted by the University of Hawaii Economic Research Organization (UHERO). The UHERO study assessed two key policy questions associated with a carbon tax: what level of carbon tax, if any, should be applied and how should the revenue best be utilized?

After analyzing the relative effects of a “low tax scenario” and a “high tax scenario”, the UHERO study concluded that both tax levels would be effective in reducing consumption of fossil fuels. Proposed tax rates for the various fossil fuels listed in SB 2525 are based on the low tax scenario examined by UHERO with minor revisions to adjust for inflation.

With respect to use of the tax revenue from the proposed carbon tax, the UHERO study concluded that distributing most of the tax revenue to the citizens of Hawaii would provide a net financial benefit to most households, with low-income households receiving the largest benefit as a percentage of their pretax income. In other words, the dividends paid to Hawaiian citizens from carbon tax revenue under proposed SB 2525 would, for most households, exceed the higher costs of household purchases that result from the carbon tax. Stated another way, the proposed carbon tax is progressive in nature. This conclusion from the study should alleviate the concerns expressed by some in previous years that a carbon tax might constitute a burden on low-income households. SB 2525 adopts the recommendation of the UHERO study by proposing distribution of most of the carbon tax revenue to Hawaii’s households as dividends in the form of refundable tax credits on personal income taxation. This means that Hawaii’s citizens would receive the full amount of the specified tax credit even if that amount exceeds the income tax liability of a taxpayer.

Since Hawaii is one of the states most vulnerable to sea level rise – a serious consequence of climate change, it seems reasonable that Hawaii should strongly consider adopting a carbon tax on fossil fuel emissions arising from its borders. Given that the carbon cashback program of SB 2525 would protect Hawaiian citizens from any adverse economic impacts that result from imposition of the proposed carbon emission tax, as found by the UHERO study, it is difficult to grasp why not to establish such taxes as effectual disincentives for continued use of climate-altering fossil fuels that are so damaging to our world. Since our federal government has not yet established a carbon tax, it is left to the states to take the first step to initiate a carbon tax as a non-regulatory, market-based disincentive to the purchase of fossil fuels. One can hope that if one state – such as Hawaii – does so, others will follow, and eventually, the federal government will feel warranted in establishing a national carbon tax.

In closing, I strongly urge approval of SB 2525 by your two respective Committees. Adoption of the carbon emissions tax and its companion carbon cashback program provisions of SB 2525 would be, I firmly believe, a responsible and efficacious action to address the climate crisis and it would come at no cost to the great majority of Hawaii’s citizens, while those most vulnerable, at the lowest end of the economic spectrum, would benefit financially. Moreover, all of Hawaii’s citizens will benefit from the long-term ameliorative effects on the climate and, concurrently, from reduced air pollution as fossil fuel combustion diminishes.

Finally, a brief word on my interest in this bill. I am a retired environmental attorney, having practiced in this area of law for 44 years when I retired in late 2019. Being deeply committed to advocating for effective action to mitigate climate change, I have dedicated my retirement to working to support governmental and private sector action that will achieve the eventual elimination of carbon emissions – particularly from fossil fuel emissions. There are many reasons for this but foremost is that my children’s and grandchildren’s futures are at serious risk

L. Kane Testimony on SB 2525

due to global warming and its various adverse impacts. My interest in Hawaii stems from my employment by the Hawaii State Senate as a legislative attorney during the 2020 Session. During that employment, I developed a deep respect for the people and beautiful lands of Hawai'i.

Respectfully submitted,

Larry J. Kane
11268 Williams Court
Carmel, IN 46033
lkane1250@gmail.com
317-590-3517

SB-2525

Submitted on: 1/29/2024 11:44:40 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Randolph Moore	Individual	Support	Written Testimony Only

Comments:

The bill proposes a carbon cashback plan.

I strongly support this concept, furthering the goal of greenhouse gas emissions. As set forth in Section 1 of the bill, Hawai‘i economists say the carbon cashback program set forth in SB 2525 both (i) reduces greenhouse gas emissions and (ii) by providing a cash return to residents on a per person basis, disproportionately benefits lower-income taxpayers. This would reduce the undesirable regressiveness of Hawai‘i’s total tax structure.

The bill if passed as-is would be great. It would be even better if (i) there were a way to give the cashback not only to residents who file a Hawaii income tax return, but also to those residents whose income is so low that they do not file a Hawai‘i tax return (rather than require them to file a no-tax-liability return in order to get the cashback), (ii) the tax rate cashback amounts ramped up in ten years not to what UHERO suggested in its study, but to what that rate would be if it were also indexed for inflation and (iii) all other dollar amounts in the bill (e.g., the disposition of the tax revenues set forth in Section 6 of the bill on pages 18-19 were indexed for inflation.

Mahalo for your consideration!

Testimony by JoAnn Yukimura

RE: SB 2525

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

Hawaii State Senate

January 29, 2024

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

I write in strong support of **SB 2525**.

Thank you for your efforts to address the heartbreaking and
fundamental needs of those who survived the Maui wildfires. That is,
and should be, the first priority for all of us.

But it cannot end there. We cannot just keep “responding better” to the
more frequent and more intense natural disasters created by the
climate crisis. That would be like frantically sopping up the water
gushing from a broken water pipe without trying to fix the pipe. As part
of the Maui response, let us also take the big step of addressing the
cause of climate change.

The main way to do this is by lowering greenhouse gas emissions,
which is what **SB 2525** will do.

SB 2525 proposes a **carbon cashback program** which is the most
effective, least painful, and most equitable way to reduce greenhouse
gas emissions.

How It Works: An Elegant Solution

A fee would be imposed, via the barrel tax, on all the carbon based fuels coming into Hawai'i. Except for a small proportion of the revenues set aside for administrative expenses, the rest of the revenues would be returned annually and progressively in equal shares to the people of Hawai'i.

When a carbon fee is used to establish a more accurate market price on fossil fuels (one that reflects the impacts and costs of climate pollution), there will be an automatic, economy-wide transition to the cheaper non-carbon fuels, services and products because households, small businesses and large corporations will choose the cheaper alternatives in the course of their day-to-day decision-making and long-range planning. That will cause a drop in greenhouse gasses generated in the State.

No Other GHG Reduction Proposal Addresses the Inequality Divide

Under **SB 2525** the carbon fee will be established incrementally over a 10 year period. Returned in equal shares to each person annually, a family of two adults and two children will receive, at the height of the fee, over \$1,800. For lower income families, such as those in Waianae, where one member commutes by car to work in Honolulu, the cashback would leave this 4-person family financially better off after the main household energy cost increases are covered.¹

Because the more affluent families travel more (by both car and plane) and make more purchases, their additional energy costs will be significantly higher than for low-income families. However, the cashback does not give the wealthier families more. Because the

¹ See [UHERO study on carbon tax](#), (2021), p.11-12, 61-64.

cashback amount is the same to every person, the measure is progressive, giving greater financial assistance to low-income families.

The Policy Consistently and Effectively Lowers Greenhouse Gas Emissions

Wherever a carbon fee has been adopted, greenhouse gas emissions are coming down. In Europe² and the state of California,³ where a cap-and-trade carbon fee systems (a more complicated form of the carbon fee) have been adopted, carbon emissions are dropping. In British Columbia, where a carbon fee has been in effect for over 10 years, emissions have consistently decreased--so effectively, in fact, that the entire country of Canada adopted a carbon fee in 2019.⁴

Of all the bills pending before the Legislature this year, it would not be surprising if **SB 2525** has the biggest potential to reduce greenhouse gas emissions.

The Policy is the Least Painful, Less Disruptive Way to Lower Greenhouse Gas Emissions.

The carbon cashback approach requires no mandates or regulation. It is primarily a market solution. The market fails when the price of a product does not accurately reflect external costs such as pollution, the collateral damage to natural habitat and human communities, etc.), but when the price is accurate, the invisible hand actually works, as shown by the Canadian experience.⁵

² https://www.edf.org/sites/default/files/documents/Solutions_Spring_2022.pdf, p.12

³ <https://stanfordmag.org/contents/california-s-charge>

⁴ <https://cleantechnica.com/2023/11/03/canadas-carbon-price-working-so-of-course-its-being-attacked/>

⁵ *Ibid*

The United States Chamber of Commerce has said that it prefers a carbon fee to regulation or mandates because it is a “hands-off” approach that allows businesses to make their own choices.⁶

The Icing on the Cake: Huge Benefits to our Families and Businesses from Getting Off of Oil

It has been pointed out that a significant reduction in greenhouse gas emissions from Hawaii is miniscule from a world perspective. That is true, but if the carbon cashback solution can be shown to work well in Hawai‘i, perhaps, in the same way that British Columbia’s carbon cashback led to a national policy, Hawaii could lead the way for the United States.

Even if a national carbon fee does not materialize right away, Hawaii will be tremendously better off to wean itself from fossil fuels. When the Ukrainian War generated a spike in oil prices, HECO’s electric rates jumped 50%, but on Kaua‘i, where renewables are 60+% of KIUC’s electrical generation, rates increased by only 10%.

By nudging our families to seek greater energy efficiency and to use alternative energy, the savings they get will be repeated year after year--another long-term positive impact on household budgets and wellbeing.

Later Will Be Too Late

Last year, the year of the Maui wildfires, the planet experienced its hottest year in history.⁷ It seemed that every week, we heard about a

⁶<https://www.washingtonexaminer.com/news/2393808/chamber-of-commerce-says-it-is-open-to-carbon-pricing-in-change-of-climate-stance/>

⁷<https://apnews.com/article/climate-change-warming-heating-earth-europe-copernicus-60eb12d11b7e5f694848673bb58512d3>

climate disaster somewhere in the world. The average global temperature of the earth's atmosphere hit 1.48 degrees above the pre-industrial era--.02 degrees from the target cap of 1.5 degrees Celsius that the world is striving not to exceed.

There is no time to delay. An economy-wide reduction in greenhouse gasses--without any mandates or regulations (that are often subject to abuse or misdirection)--and a progressive cashback to help families transition away from fossil fuels is the solution that we need now.

My Request

Please act now. Please pass SB 2525 out of committee and out of the Senate. Please protect the future for our children and grandchildren and generations to come.

Mahalo nui loa,



JoAnn Yukimura

Līhu'e, Hawai'i

808-652-3988

SB-2525

Submitted on: 1/29/2024 12:08:08 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Michael A Lewis	Individual	Support	Written Testimony Only

Comments:

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

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai'i and use the tax revenues to fund a rebate that will be distributed to Hawai'i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai'i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.

Thank you!!

Michael Lewis



Dr. Charles “Chip” Fletcher

Director, Climate Resilience Collaborative
Interim Dean, School of Ocean and Earth Science and Technology at the
University of Hawai‘i at Mānoa
fletcher@soest.hawaii.edu

January 29, 2024

Aloha, Chair DeCoite, Chair Gabbard, Vice Chair Wakai, and Vice Chair Richards,

My name is Dr. Charles “Chip” Fletcher, and I serve as the Interim Dean of the School of Ocean and Earth Science and Technology at the University of Hawaii at Mānoa and the Director of the Climate Resilience Collaborative.¹

I am pleased to provide personal testimony in support of Senate Bill 2525 being heard by your Committees on Energy, Economic Development, & Tourism and Agriculture & Environment on Tuesday, January 30, 2024. This testimony does not represent the position of the University of Hawai‘i. I strongly support SB 2525 provided that its passage does not replace or adversely impact priorities as indicated in the University’s Board of Regents Approved Executive Biennium Budget.

This measure would amend the environmental response, energy, and food security tax to address carbon emissions, incrementally increase the tax rate over time, establish a refundable tax credit to mitigate the effect of a carbon emissions tax on taxpayers and require reports to the Legislature.

I strongly support SB 2525 because of the proven power of carbon cashback policies to slow the use of fossil fuels. Carbon cashback is critical in order to meet state policies to achieve net zero carbon emissions by 2045. I strongly suggest that the bill be amended to return revenues exclusively to the ALICE population as a step to rebuild social equity in Hawai‘i. This action is key in building climate resilience as we experience increasing stresses and shocks related to climate change.

I sincerely appreciate your time and effort to consider my testimony. Please feel free to contact me if you have any questions.

Respectfully,

C. Fletcher

Charles Fletcher

¹ CRC is a multi-investigator research project at the University of Hawai‘i at Mānoa focused on sea level rise adaptation and climate resilience. CRC is updating coastal models that project the impacts of sea level rise. More information about my research group can be found at <https://www.soest.hawaii.edu/crc/>.

Position: Strongly Support

Carbon pricing is the most effective measure to mitigate carbon emissions. It is widely implemented by developed nations around the world and has driven down emissions substantially. Hawaii has so far chosen not to participate in this climate saving mechanism and as a result is one of the world leaders in carbon emissions per capita and has carbon emissions that are rising.

With climate change threatening the future habitability of our planet and no way to reverse the damage we're doing today, it's necessary we act as fast as possible to stop our participation in the continual destruction of our planet.

Since carbon pricing is one of the most studied carbon mitigation policies, there is ample evidence for you to decide that this is the correct course of action. Hawaii's commission on climate change has [recommended](#) that you adopt a carbon pricing program. This is what the [carbon pricing study](#) that the legislature asked for recommended as well.

Not only is this policy the right decision for our environment, but it's also great tax policy. Carbon pricing is the number one [recommendation](#) of the Tax Review Commission.

Please take the advice of the climate change experts and pass this bill.

Mahalo,

Nate Hix
808.469.8740

SB-2525

Submitted on: 1/29/2024 12:32:31 PM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

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

Thank you for taking the time to consider this resolution today. My name is Logan and I am a high school student from the island of Oahu. I strongly support HCR124 because it will reduce carbon emissions, protect vulnerable households, and does not require government funding. Bills and resolutions addressing climate change have always caught my attention; however, this resolution is especially important to me because of its goal: reducing greenhouse gas emissions. Carbon emissions are the root of the problem affecting everyone on the globe today. In Hawaii, these effects are especially present— in our weather, in our oceans, all throughout our daily lives. Though I have only lived here for the 17 years of my life so far, some of which I cannot even remember, I notice the changes around our island. My life and culture are tied to this state and especially the uniqueness of our islands.

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

SB-2525

Submitted on: 1/29/2024 12:32:47 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Elle Sugimoto	Individual	Support	Written Testimony Only

Comments:

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai'i and use the tax revenues to fund a rebate that will be distributed to Hawai'i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai'i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so

SB-2525

Submitted on: 1/29/2024 12:34:26 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Allison Park	Individual	Support	Written Testimony Only

Comments:

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

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai‘i and use the tax revenues to fund a rebate that will be distributed to Hawai‘i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai‘i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so.



Citizens' Climate Lobby | Youth

Support of SB2525

Date: Jan 29, 2024

To: EET & AEN Committees

From: Citizens' Climate Lobby, Hawai'i Youth Action Team

Re: STRONG SUPPORT for SB2525 RELATING TO TAXATION

Hearing: Jan. 30, 2024, 1:00PM

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

The Youth Action Team of the Hawai'i Citizens' Climate Lobby, representing a large delegation of passionate high school students, **strongly supports** Senate Bill No. 2525, pertaining to Carbon Cashback.

SB2525 is a progressive bill that will tax fossil fuel corporations and compensate consumers, better enabling Hawai'i's transition to renewable energies, through an equitable and cost effective system. This bill is especially crucial in the eyes of the youth—the next generation whose present and future are dependent on the government, not only taking one step in the right direction, but carving a fully sustainable path to a livable future.

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

Amidst these intensifying consequences, the need to address the neglected social costs of our current system becomes abundantly clear. **It is due time for action.** SB2525 is the opportunity to correct this market failure and remedy our neglected system, while ensuring the protection and equity of households in Hawai'i, even financially benefiting the majority of households. Furthermore, by making clean energy a more affordable alternative, it drives sustainable innovation and strengthens an abundance of other environmental goals.

Because of this, SB2525 is the most cost-effective climate policy to reduce our greenhouse gas emissions. We know that much of the drivers of climate change are fundamentally economic; in turn, SB2525 will be its economic panacea.

On December 9th, 2023, the Climate Future Forum at the Hawai'i State Capitol brought together dozens of youth, educators, policymakers and nonprofits to evaluate and discuss our legislative climate priorities. Carbon Cashback was one of the most widely supported policies at the event.

We must act now to save our future. Please pass SB2525—this will be how we set an example for both the state of Hawai'i and the rest of the nation.

Mahalo for this opportunity to testify.

Sincerely,

Citizens' Climate Lobby, Hawai'i Youth Action Team

SB-2525

Submitted on: 1/29/2024 12:37:21 PM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

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

I strongly support SB 2525 because it will reduce carbon emissions by placing a tax on companies that import fossil fuels into Hawai'i and use the tax revenues to fund a rebate that will be distributed to Hawai'i residents in equal shares. The carbon tax reduces emissions by incentivizing businesses and individuals to use less fossil fuel, which is warming the Earth and creating climate havoc globally. The rebate is the same for everyone, regardless of income, which makes the bill progressive, as shown in the two UHERO studies. Most families will experience a net financial gain because their rebate will be larger than the higher prices they will pay for fossil fuels. Low-income families will experience a more substantial gain than high-income families because they use less fossil fuel. The bill is revenue-neutral because the rebate is funded by the carbon tax on importers, which also pays for administrative costs. Hawai'i must take a multi-pronged approach to do its part to reduce emissions, and this bill works with all other efforts to do so. I also genuinely think that action needs to be taken in general, especially now with the many extreme climate events around the world. I hope to see this implemented because it can cause real change, and is a reliable method to achieve it.

SB2525 Testimony

Submitter by: Liza Kukharuk

Organization: Individual

Testified position: Support

Aloha Committee Members,

I support Bill HB 2525 because it is a prominent solution that can address the climate crisis and global warming in the long term and benefit the citizens at the same time. If the measures are not taken fast, there is a growing possibility of the adverse effects a human hand makes on the environment. This Bill shows that fighting for economic prosperity yet sustainability is possible. Carbon Cashback is the best economic solution for reducing carbon emissions through cutting fossil fuels.

We have been talking about the possibility of radical climate change for years, yet small-scale solutions proved to be ineffective. Individuals, indeed, can act on their own to achieve sustainability. However, with the joint effort and a confident governmental policy, we can gain systematic changes. Yes, climate change is a systematic issue that lies deep down in how our market works nowadays: striving for the most effective yet cheapest energy sources. This leads us to the fossil fuel industry, which accounts for 79% of total U.S. energy consumption in 2022. The federal Energy Information Administration estimates that 77% of Hawaii's power comes from burning fossil fuels, mostly oil and some coal. The mining of such sources of energy, apart from the carbon dioxide emitted during the usage of fossil fuels, creates a long-term ecological effect on our planet because these sources are not renewable.

The IMF, World Bank, IPCC, OECD, World Economic Forum, and nearly all US economists say carbon pricing is our most powerful tool to reduce climate pollution. The carbon tax will reduce the amount of fossil fuels consumed by an individual. The additional tax will increase the price of petroleum, for example, needed to operate a car, making it less affordable for people to use cars daily. This would ultimately result in a decrease in car usage and an increase in awareness about other electricity sources. By receiving more costly bills for electricity, people would try to decrease their usage of it, which would result in a more sustainable usage of energy.

The collected money, though the carbon tax, is not going to be wasted. The fairest thing to do with the money is to give all of it to all households on an equal basis: 1 share per adult, ½ share per child. In addition to that, this money can be viewed as a reward for stepping back from the usage of fossil fuels and taking responsibility for their own actions, which as a result, can motivate even more people to give up on fossil fuel usage.

I am currently a junior at 'Iolani School and am one of the leaders of the Citizen's Climate Lobby Youth Action team and a policy youth leader at Climate Future Forum on the matters of clean energy and transportation. I care about the environment and the importance of preserving the beauty and nature of the island as much as we can. Originally I am from a

small town in Ukraine, and currently, it's my second year living in the US. When I was in Ukraine, I was involved in the ecology club at my school, where we installed the recycling bins around the school building and also participated in the Largest World Lesson challenge as a tutor for young Ukrainian kids on the goals of sustainable development and climate action. When coming here, I opened a different perspective on sustainability, as it is an entirely different environment. In Ukraine, especially during the war, the ecosystems are severely affected, and the general condition of the area's sustainability is worsening. Even living so far away from my homeland, the knowledge and awareness of climate issues worldwide motivate me to join local communities in the climate action effort. I joined the CCL club at 'Iolani school and decided to join the leadership team of the Climate Future Forum because I want to be helpful to this world regardless of the place I live in, as any part of the world is still united under the same goal of reaching sustainable development. Moreover, I am taking the initiative to make changes here on 'Oahu and I feel an attachment to the community and a feeling of the possibility of achieving a more sustainable life, unlike it is in Ukraine right now, where my efforts are shut down by the war.

Currently, living in Honolulu, I face many people using cars on a daily basis. Indeed, about 792,000 cars are used in this area on a daily basis. The amount of emitted carbon dioxide is growing with the increase of tourism as well. I care about the environment and its possible effects on my community in Hawaii, my family, and people around the world.

I firmly believe Bill SB2525 is one of the best solutions for the long-term climate change problems. It would greatly benefit the environmental condition of the island and provide an opportunity for people to expand their knowledge of the conscious and sustainable use of given resources. Moreover, the carbon cashback could possibly benefit low-income families who are not using cars daily, as the amount of money paid back to people by the government is equal regardless of their economic status. Please support Bill SB2525.

Mahalo,

Bibliography

The Carbon Cash-Back Solution. <https://www.carboncashback.org/carbon-cash-back>.

Citizens' Climate Lobby. <https://citizensclimatelobby.org/>.

Renewable energy is growing fast in the U.S., but fossil fuels still dominate.

<https://www.pewresearch.org/short-reads/2020/01/15/renewable-energy-is-growing-fast-in-the-u-s-but-fossil-fuels-still-dominate/>.

U.S. energy facts explained. <https://www.eia.gov/energyexplained/us-energy-facts/>.

Date: Jan 29, 2024

To: EET & AEN Committees

From: Chisato Tarui

Re: STRONG SUPPORT for SB2525 RELATING TO TAXATION

Hearing: Jan. 30, 2024, 1:00PM

Hi my name is Chisato and I'm a junior at 'Iolani School. As a resident of an island deeply vulnerable to the grips of climate change, all the devastating environmental destruction has come to feel like a natural part of our surroundings. This rings especially true for the youths of our communities, who were born into an era that has become characterized by its rapid degradation of environmental health. The Hawai'i today that older generations grieve for is the only version of Hawai'i that I know of. Each consequence of climate change is another lost experience, another disconnect from our past generations.

One case of this that I encounter everyday is the Ala Wai Canal, which 'Iolani students pass by daily en route to school. Rising temperatures are quickly turning this canal into the perfect incubator for all kinds of harmful bacterial blooms, such as the flesh-eating *Vibrio Vulnificus*. Researchers at the UH project that by the turn of the century, these bacteria will triple. The Ala Wai Canal is more than just a waterway to our community—losing this canal would mean losing the training ground for students on kayaking and paddling teams, and tarnishing the passage that student cross country runners run next to during their daily out runs. Knowing that this could become the new reality for future students like me, full of forfeited experiences and opportunities, fills me with grief.

Millions of other youth share this grief, so much so, that it has instilled a pervasive sense of obligation among many of us to just do something. Go to any high school in the U.S. today, and what you will see is an endless number of sustainability clubs and student initiatives urging other students to do their part in the climate movement, to spread awareness. I was one of these students, and to an extent, I still am. But the pure, unfiltered sense of empowerment and inspiration I once felt from the sight of my fellow student activists has transformed into an anger towards our broken system, and a passion to hold it accountable — to shift the onus of climate action away from individuals and youth, away from solely piecemeal initiatives, and instead towards systemic solutions—the type of foundational reforms we need if we want to make any meaningful and lasting change. That's why I support carbon cashback.

Carbon cashback is essentially a carbon tax that recycles its revenue back to people in dividends, therefore incentivizing the use of affordable renewables over taxed carbon. This form of a carbon tax offers a very unique opportunity in Hawaii, where because tourists and visitors also pay the tax, we get a significantly higher revenue, and that means that the dividend that low to middle income groups will be receiving will end up being more than the tax that they paid. This is a policy that has been implemented in over 35 jurisdictions, and proved to be very successful in British Columbia. In the first five years of the carbon tax shift, B.C.'s fuel efficiency improved by 19 percent compared to the rest of Canada. And we know why it's so

effective—it corrects a malfunctioning system, by finally allowing the market to reflect at least some of the costs of carbon to our economy. It's also equitable—this legislation will enable Hawaii's just and equitable transition to a sustainable, fossil fuel free society, without leaving anyone behind, providing meaningful assistance to the people that need help in participating in this transition. Carbon cashback is so unique because it accomplishes all these things through the most cost effective approach—it is enforced through market forces rather than relying on regulation, and it is revenue neutral, costing the government nothing.

The need to reconcile with the neglected costs of our current system is abundantly clear. Carbon cashback is *the* opportunity to remedy a neglected system, while ensuring the protection of consumers and equity of families in Hawai'i. Most importantly, it sets an example for the rest of the nation.

We must act now to save our future. Please pass SB2525—this will be how we set an example for both the state of Hawai'i and the rest of the nation.

Mahalo for this opportunity to testify.

Sincerely,
Chisato Tarui

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

My name is Audrey Lin. I am a seventeen year-old junior at 'Iolani School and a co-founder of the Climate Future Forum, a youth-based collective which strives to mitigate climate change through systemic, policy-based solutions. **Today, I write in strong support of SB2525.**

As a young person, I view climate change as *the* greatest challenge our generation will face. SB2525 is a policy-based solution, which reduces carbon emissions through a tax on companies that import fossil fuels into Hawai'i and uses the tax revenues to fund a rebate that will be distributed to Hawai'i residents in equal shares.

Through my work with the Climate Future Forum, I have also learned the importance of equitable and just transition. With SB2525, most families will experience a net financial gain, since their rebate will be larger than the higher prices they will pay for fossil fuels. In fact, low-income families will experience a more substantial gain than high-income families because they use less fossil fuel to begin with.

It must be noted that Carbon Cashback implements a top recommendation from Hawai'i's 2020-2022 Tax Review Commission and the Hawai'i State Energy Office's Hawai'i *Pathways to Decarbonization*, and it would use existing administrative mechanisms, complementing other existing emission reductions programs. Furthermore, with the passage of SB2525, our state can continue to be a pioneer and set the stage for future carbon pricing on the national level.

In Hawai'i, I see the effects of climate change seeping into every industry and every facet of our daily lives. There is no time to waste. Without the passage of SB2525, the situation will only worsen.

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

Sincerely,
Audrey Lin
'Iolani School, Class of 2025

SB-2525

Submitted on: 1/29/2024 12:59:25 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Ashley Boggs	Individual	Support	Written Testimony Only

Comments:

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

My name is Ashley Boggs, I'm a Maui resident, and I strongly support SB 2525.

Climate models are clear there's no one silver bullet to address climate change- we need a variety of solutions. Yes to EVs, yes to public transit, yes to wetland conservation... **and yes to carbon pricing with cashback!** We need prices to reflect the true cost of carbon emissions to our land and residents, and at the same time- I'm concerned about the ability of low- and middle-income families ability to afford this transition. While used EVs are getting cheaper for example, they're still out of reach for many. That's why I'm supporting SB 2525. This bill taxes fossil fuels, and then provides all that revenue, minus administrative fees, right back to residents in equal shares. Two UHERO studies show that most families will experience financial net gain through this bill as low-income families use less fossil fuel.

I'm excited to see many bills related to adaptation, allowing us to deal with the consequences of climate change, but disappointed to see not enough on mitigation- reducing emissions. We can still help prevent the worst impacts of climate change from occurring. SB 2525 should be part of that solution.

Further support comes from other Hawai'i government offices- this bill implements a top recommendation of Hawai'i's 2020-2022 Tax Review Commission and the Hawai'i State Energy Office's Hawai'i Pathways to Decarbonization.

Thanks for the opportunity to provide my testimony on SB 2525,

Ashley

LATE

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

Re: SB 2525

30 January 2024

From: Sumner La Croix, Emeritus Professor, UH-Manoa Economics, and Senior
Research Fellow, University of Hawaii Economic Research Organization (UHERO)

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

I am testifying on my own behalf, and am not representing UHERO or UH-Mānoa
Economics.

I strongly support SB 2525. Its passage is critical for the State of Hawai'i to achieve it
decarbonization goals in the transportation sector and the overall economy.

SB 2525 proposes to enact a carbon tax for Hawai'i and return collected revenues to
Hawai'i's households. I am one of the coauthors of the UHERO and Hawai'i State
Energy Office report, "Carbon Pricing Assessment for Hawai'i: Economic and
Greenhouse Gas Impacts." The report finds that carbon taxation is an efficient and
effective means of reducing Hawai'i's greenhouse gas emissions to help meet statewide
decarbonization targets and lessen the impacts of climate change globally. The study
also finds that returning collected revenues to households is an important component of
supporting people through the transition to a lower greenhouse gas economy. It finds
that giving back revenues to households in equal share payments is a progressive
policy, meaning that its benefits are larger for lower-income than higher-income
households. This bill provides an efficient and equitable mechanism for implementing a
carbon tax and more rapidly decarbonizing the state's economy. I strongly urge its
passage this session.

Links to study resources are provided below.

Full Carbon Pricing Study: https://energy.hawaii.gov/wp-content/uploads/2021/04/HawaiiCarbonPricingStudy_Final_Apr2021.pdf

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

Follow-on Study for the Tax Review Commission:
https://files.hawaii.gov/tax/stats/trc/docs2022/Appendix_A.pdf

LATE

SB-2525

Submitted on: 1/29/2024 7:45:24 PM

Testimony for EET on 1/30/2024 1:01:00 PM

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

Comments:

Aloha from Kauai. I support SB 2525, the Carbon Cashback bill, which taxes importers of fossil fuel to Hawai'i and returns the tax revenues in the form of a rebate to residents in equal shares.

Do the right thing.

Thank you, Mary Lu Kelley

SB-2525

Submitted on: 1/29/2024 7:01:18 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Thomas Stanton	Individual	Oppose	Remotely Via Zoom

Comments:

I strongly oppose SB2525. The science behind man made "Global Warming" or as they now call it "Climate Change" is ridiculously stupid. The evidence disputing this globalist agenda is becoming overwhelming to the masses. Any politician who votes for this bill or promotes taxing the public over this false theory is either ignorant on the facts behind climate or is a part of this globalist agenda. I urge you not to vote to falsely tax Hawaii Citizens.

Mahalo,

Tom Stanton

SB-2525

Submitted on: 1/27/2024 12:41:50 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Andrew Crossland	Individual	Oppose	Written Testimony Only

Comments:

I **oppose** this Bill.

SB-2525

Submitted on: 1/27/2024 1:23:04 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
kelly morgan	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill. What a horrible thing to do to your constituents! How awful are you to purposefully make the lives of the people of Hawaii harder..we are taxed more than we should as it is.

SB-2525

Submitted on: 1/27/2024 1:25:52 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
kamakani de dely	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill and honestly cant believe the audacity that you folks would actually come up with something as insanely ludicrous as a carbon tax here in hawaii where everyday is a financial struggle to make ends meet. This plays out the same in the other democrat states that are on the failing side, massively in debt and proposing terrible bills. I vote NO!

SB-2525

Submitted on: 1/27/2024 1:35:39 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Sharron VanDeusen	Individual	Oppose	Written Testimony Only

Comments:

I oppose this Bill.

SB-2525

Submitted on: 1/27/2024 1:51:38 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Kaiulani Bowers	Individual	Oppose	Written Testimony Only

Comments:

I oppose this Bill because We the people of this State can barely afford to live here and now this Bill wants to tax us on something that everyone can NOT get around using to live! This tax does not represent us We the people and would hurt the working people of this State.

SB-2525

Submitted on: 1/27/2024 1:59:04 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Marcus Tanaka	Individual	Oppose	Written Testimony Only

Comments:

Oppose

SB-2525

Submitted on: 1/27/2024 2:07:21 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Mallory De Dely	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill and honestly cant believe the audacity that you folks would actually come up with something as insanely ludicrous as a carbon tax here in hawaii where everyday is a financial struggle to make ends meet. This plays out the same in the other democrat states that are on the failing side, massively in debt and proposing terrible bills. I vote NO!

SB-2525

Submitted on: 1/27/2024 2:34:39 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Victor K. Ramos	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose. This is more political ideology than evidence based.

SB-2525

Submitted on: 1/27/2024 3:10:00 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Emerson	Individual	Oppose	Written Testimony Only

Comments:

Okay so lets get this straight. The PEOPLE are going to get upcharged because HECO cannot update/upgrade the infrastructure, then we are getting rid our natural grass, and now a carbon tax. We did see this coming but we will not allow this. Karl Rhoads, we know what you are doing and WE the PEOPLE say NO. The people of hawaii will not stand for this

SB-2525

Submitted on: 1/27/2024 3:23:49 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Nicole Mosk	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this ridiculous bill!

SB-2525

Submitted on: 1/27/2024 3:56:57 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
J. Chun	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

SB-2525

Submitted on: 1/27/2024 5:02:25 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Dixon Kodama	Individual	Oppose	Written Testimony Only

Comments:

I Dixon Y. Kodama Jr oppose Bill SB2525 and the continued mistreatment of Hawaii residents attempting to extort even more taxes from us.

SB-2525

Submitted on: 1/27/2024 5:54:00 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Alice Abellanida	Individual	Oppose	Written Testimony Only

Comments:

I am strongly opposed to this bill. We are already overtaxed, and this is complete nonsense.

SB-2525

Submitted on: 1/27/2024 8:10:45 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Keonaona Macapagal	Individual	Oppose	Written Testimony Only

Comments:

I OPPOSE THIS BILL/MEASURE.

SB-2525

Submitted on: 1/27/2024 8:51:13 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Rita Wong	Individual	Oppose	Written Testimony Only

Comments:

I oppose SB2525

SB-2525

Submitted on: 1/27/2024 9:42:38 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Vernelle Oku	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose any additional taxes on our already overtaxed Hawai'i residents. I especially oppose a carbon tax because it hurts the people that can least afford to pay taxes the most. These are the people that can't afford to buy a new car or pay to offset their carbon emissions. They can barely afford to pay for their living expenses as it is and most people's income in Hawaii has not kept up with inflation.

SB-2525

Submitted on: 1/28/2024 12:24:59 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Christa Hewett	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose bill SB2525 as the bill provides no benefit to the people who would be paying this tax. As we continue to see the rise of inflation due to "Bidenomics" just putting food on the table has become extremely difficult. Hawaii's legislature always seems to find new ways to make residents' lives harder by squeezing more money out of our pockets and we do not see any improvements to infrastructure or our overall quality of life.

As we continue to see "green" policies have now caused rolling blackouts all over Oahu because there is an agenda to cut "carbon" emissions to "save the planet." I'm not even sure that this bill seems to have any benefit to the taxpayer other than to tax us into not being able to afford everyday living. We will not be held hostage by corrupt politicians and thus we are standing up and saying NO to SB2525

SB-2525

Submitted on: 1/28/2024 1:58:28 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Luis Ma	Individual	Oppose	Written Testimony Only

Comments:

I am strong oppose this bill on carbox tax. Since the carbox just other form is theft on low and middle classes people more burdens in day to say life, also restricted people freedom of energy usage. Plus Hawaii government can't even fix homeless issues. You telling me collecting carbon tax can improve Hawaii climate, that pretty obviously is a scam. Don't push the WEF 2030 agenda on Hawaii local people, thank you. Delay no more!

SB-2525

Submitted on: 1/28/2024 8:45:52 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Ryan Willis	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose

SB-2525

Submitted on: 1/28/2024 8:55:39 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Kanoë Willis	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose

SB-2525

Submitted on: 1/28/2024 10:14:11 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
THOMAS KENT	Individual	Oppose	Written Testimony Only

Comments:

I OPPOSE THIS BILL

SB-2525

Submitted on: 1/28/2024 11:45:51 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Corinne Solomon	Individual	Oppose	Written Testimony Only

Comments:

I oppose SB2525.

SB-2525

Submitted on: 1/28/2024 1:37:34 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Lora Santiago	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose SB2525.

SB-2525

Submitted on: 1/28/2024 1:42:18 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Candace Vizcarra	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill because it goes against the very Creation of GOD! He created ALL living things to be made of simple atoms such as oxygen, hydrogen, and carbon! You can't remove these things just because....HIS Creation doesn't work that way and I rebuke any evil that tries to go against the very essence of GOD Almighty!

Concerned resident

SB-2525

Submitted on: 1/28/2024 1:46:50 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Cari Sasaki	Individual	Oppose	Written Testimony Only

Comments:

I oppose taxation on an individual's "carbon usage." Given that the vast majority of the world's carbon output comes from China, there is no logical argument showing that levying further taxes on Americans will somehow save the planet.

SB-2525

Submitted on: 1/28/2024 2:03:12 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Terri Yoshinaga	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bad bill.

SB-2525

Submitted on: 1/28/2024 2:52:11 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
tania victorine	Individual	Oppose	Written Testimony Only

Comments:

We DO NOT want to pay for carbon taxes!

SB-2525

Submitted on: 1/28/2024 3:36:36 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Nicholas Lee	Individual	Oppose	Written Testimony Only

Comments:

Hello Hawai'i Legislature,

My name is Nicholas Lee and I am a private citizen and small business employee that spends most of my professional time in Honolulu Chinatown. I am writing to oppose SB2525 because of its regressive nature in further decreasing the Hawai'i people's standard of living.

Hawaii's 'local people' have already undergone the following:

- Net negative migration from the Hawaiian Islands for at least 5 years
- The majority of Hawai'i people live paycheck to paycheck with little to no savings
- Many people must work more than 1 job (certainly over 40 hours) to sustain themselves
- No revision to the Honolulu County General Excise Tax to at least make exemptions for food, healthcare related expenses (i.e. necessity items / services)
- A study by NiceRx, as shared by KHON2 in June 2022 (it is important to factor in real inflation and also stagnant wages since this time), states "the average cost of rent in Hawaii totals \$29,772 and residents are losing around 49.3% of their income to pay for it" and "of the 50.7% left over in one's income [NiceRx](#) suggests some residents spend 9.74% on health insurance and 13.731% on childcare."

[Hawaii spends most of their income on rent and childcare | KHON2](#)

- Honolulu County car registration fees are exorbitantly high. Civil Beat's article in 2022 also provided an example: "the estimated cost to own a 2015 base model Tacoma on Oahu is approximately \$6,800 a year, or about \$566 per month."

[Why It Costs So Much To Own A Car In Hawaii - Honolulu Civil Beat](#)

There seems to be little to no alternatives toward oil & gas as an energy source. Hawaiian Electric Company has shown that it is beginning to have trouble in entirely supporting the grid as of this month January 2024 with its current infrastructure (e.g. no upgrade of transformers, removing the AES coal plant, weaning off dependency of foreign oil). Renewable energy via solar and wind is only partially reliable and there are no contingencies provided by the utility in the case that there is a shortage of power generation from these sources. Private solutions such as backup generators seem to be the only short-term and ideally only an emergency option.

In addition, gars that run off of gasoline / petroleum are much cheaper than electric vehicles. Only 13 vehicles as of January 2024 as eligible for the federal EV Tax Credit of \$7,500.00. Most EV vehicles are largely unaffordable, although with time, they may become more ideal,

especially for Hawai'i, with the correct and sustainable incentives such that it does not add to the fiscal burden and deficit, and in doing so, the Hawai'i taxpayer.

I hope you have taken the time to read this and appreciate if you have done so. I am not writing as a renewable energy source detractor but rather, as a pragmatist toward how we can be 100% energy renewable with a minimal carbon footprint without it taking away from the economic mobility of Hawai'i's working class. In addition, I am also a supporter of decreasing pollution. I believe that the 'carbon footprint' should not be the sole metric in measuring pollution. Chemical spillover (e.g. certain substances measured in PPM) and natural / clean water production (measured in gallons) could also be taken into consideration. Water catchment at the residential and commercial levels could also be incentivized to be able to prevent single-use plastic cups. As a more anecdotal note, I see my peers in Honolulu work so hard, barely getting by and hardly having quality time with their families just to make end's meet. I reaffirm my belief that a carbon tax program would only seek to inaccurately tax economic activity and possibly also lead to a further increase in the cost of living (i.e. goods and services).

Mahalo,

Nick Lee

SB-2525

Submitted on: 1/28/2024 4:50:19 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
TERI SAVAIINAEA	Individual	Oppose	Written Testimony Only

Comments:

I oppose SB 2525.

Thank you ,

Teri Savaiinaea

SB-2525

Submitted on: 1/28/2024 6:16:27 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Heather R Lauro	Individual	Oppose	Written Testimony Only

Comments:

The residents of Hawaii are already taxed enough on top of the outrageous cost of living in our state. Our state infrastructure is not able to sustain the Go Green initiative- as evident with backouts and inability meet the demands of electricity by shutting down coal plants. Money is available, just learn to spend it on the citizens and not your own fat pockets you are trying to line! I vehemently oppose any bill supporting Go Green or climate change. It's a scam!

SB-2525

Submitted on: 1/28/2024 8:59:26 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Jessica Penner	Individual	Oppose	Written Testimony Only

Comments:

I oppose anything relating to a "carbon tax." As a resident of Hawaii (born and raised here as well as an OHA member) with a young family, almost everyone I know here is struggling to meet their basic needs. The last thing the members of my community needs is another tax. My inlaws are canadian and they are heavily taxed on their gas, home energy, and home heating. They are being crushed there and we have seen how it has impacted our family. Please don't bring that hellscape here. If it's a cause you believe in so strongly donate your own excess funds as an individual - do not saddle the backs of the constituents you supposedly represent with the financial burden of your ideology.

SB-2525

Submitted on: 1/28/2024 9:21:05 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Vivek Pathela	Individual	Oppose	Written Testimony Only

Comments:

OPPOSE.

SB-2525

Submitted on: 1/28/2024 9:57:43 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Jeffrey F Mizuno	Individual	Oppose	Written Testimony Only

Comments:

Oppose

SB-2525

Submitted on: 1/28/2024 9:57:51 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
AnnMarie Hamilton	Individual	Oppose	Written Testimony Only

Comments:

Carbon tax is a control mechanism of the globalists... absolutely not.

SB-2525

Submitted on: 1/28/2024 9:57:56 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Amanda Scardilli	Individual	Oppose	Written Testimony Only

Comments:

STRONGLY OPPOSING CARBON TAX :

We do not need more tax!

We do not need more tax on a state that is an island with more electric vehicles percapita than any other state.

We have incredible low emissions as it is! Most homes are solar power! **NO MORE TAX!**

The people like Karl Rhoads, claiming we need more tax for CO2 emission that he doesn't even understand nor can he calculate how much CO2 is in the atmosphere OR how much CO2 is required by the planet for survival of all life. Clean CO2 is necessary!

Please reference The Carbon Cycle: Carbon is an essential element in the bodies of all living organisms. Carbon dioxide (CO2) is taken from the atmosphere by photosynthetic organisms as food.

NO TAX ON NATURAL PROCESSES ESSENTIAL FOR LIFE TO EXIST!

Thank you,

Amanda Scardilli

SB-2525

Submitted on: 1/28/2024 10:02:05 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
L M	Individual	Oppose	Written Testimony Only

Comments:

Opposed to any bills that would incur new taxes on individuals or businesses.

Thank you.

SB-2525

Submitted on: 1/29/2024 12:14:25 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Jennifer Cabjuan	Individual	Oppose	Written Testimony Only

Comments:

Oppose this bill. Do not tax our air consumption in Hawaii please.

SB-2525

Submitted on: 1/29/2024 1:24:38 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Patricia Beekman	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose SB2525, a bill designed to tax until it hurts on a phantom phenomenon—catastrophic anthropogenic climate change—whose "scientific evidence" is smoke and mirrors. Living as we do in Hawai'i next to the ocean, it should be obvious that the doom and gloom predictions over the last decades of "climate cooling," then "climate warming," now "climate change," have not come to pass. The majority of the people of Hawai'i are already living paycheck to paycheck. This bill will add to their difficulties, adversely affect the keiki, and likely pave the way for even heavier money plucking to come.

Vote no on SB2525.

SB-2525

Submitted on: 1/29/2024 2:23:05 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Jessica Tamaribuchi	Individual	Oppose	Written Testimony Only

Comments:

I firmly oppose SB2525. We do not need to be taxed on carbon emissions.

Thank you,

Jessica Tamaribuchi

SB-2525

Submitted on: 1/29/2024 5:54:01 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Kathy Jenkins	Individual	Oppose	Written Testimony Only

Comments:

I oppose SB2525

SB-2525

Submitted on: 1/29/2024 6:40:56 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Isaac K Guzzo	Individual	Oppose	Written Testimony Only

Comments:

I am writing to express my opposition to the proposed carbon tax bill SB2525.

While carbon taxes are a popular proposed policy tool marketed as reducing greenhouse gas emissions, their effectiveness at reducing pollution is questionable at best. These carbon taxes would not be revenue-neutral and pose an unnecessary stain on the Hawaii taxpayers and local businesses. They reduce the purchasing power of Hawaii consumers and lowers the competitiveness of our local businesses.

Additionally, I do not foresee the government using the revenue generated from these carbon taxes to offset carbon emissions, or other taxes and fees the Hawaiian taxpayer is burdened with. The government's inefficiency, corruption, and susceptibility to pressure would leave these policies to be misused or enforced in a manner which outweighs any potential benefits.

Therefore, I urge you to reconsider implementing the proposed "carbon tax" bill and explore alternative policies of higher importance to the people of the state of Hawaii.

SB-2525

Submitted on: 1/29/2024 7:14:51 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
noela von wiegandt	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I strongly oppose this bill, the people of Hawaii already pay to many taxes. We cannot afford this. Prices of everything has skyrocketed. Majority of the people of Hawaii will feel this tax is just too much. Please stop overtaxing us. Thank you very much.

Noela von Wiegandt

SB-2525

Submitted on: 1/29/2024 7:40:20 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Anne Kamau	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill. Mahalo.

SB-2525

Submitted on: 1/29/2024 7:51:53 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Jessica Caiazzo	Individual	Oppose	Written Testimony Only

Comments:

Aloha my name is Jessica “Priya” Caiazzo and I strongly oppose SB2525. Honestly we already are taxed enough. Here are many reasons I disagree with the carbon tax:

- Production may shift to countries with no or lower carbon taxes. (so-called ‘pollution havens’) This can give developing countries an incentive to encourage production processes which cause pollution, i.e. there is ‘outsourcing’ of pollution.
- The cost of administrating the tax may be quite expensive reducing its efficiency.
- It is difficult to evaluate the level of external cost and how much the tax should be.
- Possibility of tax evasion. Higher taxes may encourage firms to hide carbon emissions.
- If demand is price inelastic, the tax may have to be very high to reduce demand significantly. In the short term, firms may not feel they have many alternatives. Though, over time, demand will become more elastic as more alternatives are generated.
- Consumers dislike new taxes and often don’t believe that they will be ‘revenue neutral’. This is not an economic argument, but it is a political reality and explains why it is often difficult to implement.
- A global carbon tax may curtail economic activity in the poor developing world because they can’t afford the small increase in energy costs, but the developed world may simply be able to pay. There may be a need for a carbon tax to reflect different abilities to pay
- Plants use CO2 as part of the process of photosynthesis, and they do need a source of carbon dioxide in order to survive
- May hurt low-income and middle-class families

There are so bad bills that get pushed thru that do not actually benefit we the people, and in fact is misguided disguise of what is for the greater good. It’s important to see thru this bill and shut it down. Mahalo.

-Jessica “Priya” Caiazzo

SB-2525

Submitted on: 1/29/2024 9:17:24 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Laura Cushnie	Individual	Oppose	Written Testimony Only

Comments:

NO MORE TAXES! No - taxes are not the solution, we have enough burdens and this is absolutely ridiculous! NO!

SB-2525

Submitted on: 1/29/2024 12:43:37 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Kim Cordery	Individual	Oppose	Written Testimony Only

Comments:

I appose this bill because the idea of using taxes to change people's behavior is communistic!

SB-2525

Submitted on: 1/29/2024 12:55:05 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
kimo galon	Individual	Oppose	Written Testimony Only

Comments:

Aloha.

I kimo galon oppose SB2525. We as Hawaii tax payers are paying way too much taxes out of pocket. We can barely survive on what we have now. Now is not the time to tax our citizens. We should be cutting taxes to increase money in our pockets so we can spend more to stimulate the economy. Our carbin foot print is minuscule compared to what other countries are putting out. Countries like China have no regulations and dumping mass toxic waste into their land and water. Listen to the people and stop this bill from moving on.

SB-2525

Submitted on: 1/29/2024 12:58:41 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
L.C	Individual	Oppose	Written Testimony Only

Comments:

This is a hard no to more taxes and the ridiculously inadequate credit suggested by this bill!

SB-2525

Submitted on: 1/29/2024 12:59:31 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Erik	Individual	Oppose	Written Testimony Only

Comments:

Congress Person,

I oppose this bill. Carbon taxes such as this do not make sense. This will negatively impact the people that live and work in Hawaii. It is challenging enough to live here as is.

Sincerely,

Erik Eck

SB-2525

Submitted on: 1/29/2024 1:52:33 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Tracy Gillard	Individual	Oppose	Written Testimony Only

Comments:

Once again, trying to tax the locals who can barely make it already. So many have to leave because it's too expensive. This is a ridiculous bill.

SB-2525

Submitted on: 1/29/2024 1:02:11 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Gary cordery	Testifying for Aloha Freedom Coalition & HICHD 15k	Oppose	Written Testimony Only

Comments:

This is the essence of tyranny and communism, the idea that politicians are going to direct public policy through taxation or regulation. Carbon tax is another method to enlarge the general fund at the expense of the citizens who depend on existing technologies for transportation.

Sen. Rhodes has now revealed his own personal agenda, we will be doing everything possible to unseat him next election.

LATE

SB-2525

Submitted on: 1/29/2024 2:39:40 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
David Ruiz	Individual	Oppose	Written Testimony Only

Comments:

No carbon tax.

LATE

SB-2525

Submitted on: 1/29/2024 3:14:12 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Mary Healy	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill

LATE

SB-2525

Submitted on: 1/29/2024 6:00:40 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Violet Shimoko	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill.

The state politicians are not looking out for the best interest of, "we the people." They have succumbed to the globalist narratives and have not researched the compelling counter arguments that refute the basis of these decisions that will hurt not help us.

Respectfully submitted,

Violet Shimoko

SB-2525

Submitted on: 1/29/2024 6:33:12 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Chad Amasiu	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose SB2525.

LATE

SB-2525

Submitted on: 1/29/2024 7:18:57 PM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Melvin Amaral	Individual	Oppose	Written Testimony Only

Comments:

I oppose this Bill.

LATE

SB-2525

Submitted on: 1/30/2024 8:24:55 AM

Testimony for EET on 1/30/2024 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Yvonne Alvarado	Individual	Oppose	Written Testimony Only

Comments:

I, Yvonne I. Alvarado Oppose this bill. This bill is an encroachment on Our Constitutional Rights and Civil Liberties. I Strongly Oppose.