

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii  
Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1319 entitled:  
"A BILL FOR AN ACT RELATING TO CARBON PRICING,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish a refundable tax credit to mitigate the effect of a carbon emissions tax on taxpayers; and
- (2) Amend the Environmental Response, Energy, and Food Security Tax to address carbon emissions.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Hawaii Climate Change Mitigation and Adaptation Commission; Americans for Democratic Action Hawai'i; Faith Action for Community Equity; Imua Alliance; Ulupono Initiative; Hawaii Island Chapter, Citizens' Climate Lobby; Faith Action Environmental Justice Task Force; Climate Protectors Coalition; Human Environmental Impacts Committee of the Environmental Caucus of the Democratic Party of Hawai'i; Foresight/Policy Analysis; Blue Planet Foundation; and numerous individuals. Your Committee received testimony in opposition to this measure from the Chamber of Commerce Hawaii, Hawaii Food Industry Association, Hawaii Transportation Association, Retail Merchants of Hawaii, and three individuals. Your Committee received comments on this measure from the Department of Taxation, Department of the Attorney General, Hawaii State Energy Office, Tax Foundation of Hawaii, Life of the Land, Hawaii Automobile Dealers' Association, and Sierra Club of Hawai'i.

Your Committee finds that climate change is the most critical issue confronting the State. Putting a price on pollution, while giving revenues back to low- and moderate-income residents, will accelerate Hawaii's transition to a clean energy and transportation future without placing a burden on Hawaii's working families.

Your Committee has amended this measure by:

- (1) Blanking the amounts specified for the tax credit to mitigate the effect of a carbon emissions tax;
- (2) Blanking the amounts specified for the Environmental Response, Energy, and Food Security Tax to address carbon emissions;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1319, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1319, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on behalf of the members of the Committee on  
Energy & Environmental Protection,

---

NICOLE E. LOWEN, Chair