



How would you like your Climate Allocation: Dividend, Tax Credit, or Share?

California's cap on GHGs will create valuable emissions permits, but prices may rise. The resulting windfall belongs to all Californians, equally. An equal per capita rebate can be provided to consumers through a check box on your state tax form.

This model could work at the Federal level too. Funds are held in a Trust, separate from the General Fund. The cash dividend compensates consumers from revenues from auctioning permits to upstream companies. The tax rebate is the easiest to administer. The Share may be sold to companies via banks or brokerages, and allows financially savvy individuals to participate in the carbon market directly.

For Privacy Notice, get form FTB 1131. FORM

540 A c1 Side 1

California Resident Income Tax Return 2009

14 California Income Adjustments. How would you like your climate allocation?

1 **Cash Dividend** (direct deposit available)

2 **Tax Rebate** (add this amount to line 21)

3 **Share** (CO₂ - denominated certificate can be sold on private market)

Form 540A C1 2009 (REV 02-08)

Department of the Treasury-Internal Revenue Service

Form **1040** **U.S. Individual Income Tax Return**

10 Qualified dividends (see page 19)

11 How would you like your climate allocation?

Check only one box. 1 **Cash Dividend** (direct deposit also available)

2 **Tax Rebate** (add this amount to line 45)

3 **Share** (CO₂ - denominated certificate can be sold on private market)

12 Other income. List type and amount (see page 24)

Form **1040** 2009

Your choice:

**you receive:
Cash Dividends/Tax Cut**


California Climate Trust
Office of Dividend Distribution
Sacramento, California

Date April, 16 2012

Pay to the Order of Mr. John Smith - Consumer \$

Dollars.

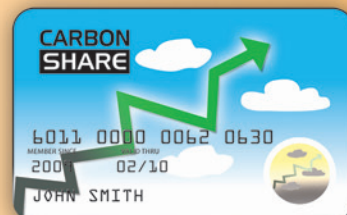
For This year's Climate Dividend


State Treasurer

Deposit the check in your bank account.

or

**you receive:
A Carbon Share**



Deposit the share in your brokerage account to sell later on private market.

An Auction/Dividend and Carbon Share can co-exist, and parallel markets may benefit both. Either way, low-income and low-emitting consumers come out ahead. High emitters do not. Consumer compensation can make climate protection feasible and popular in California.