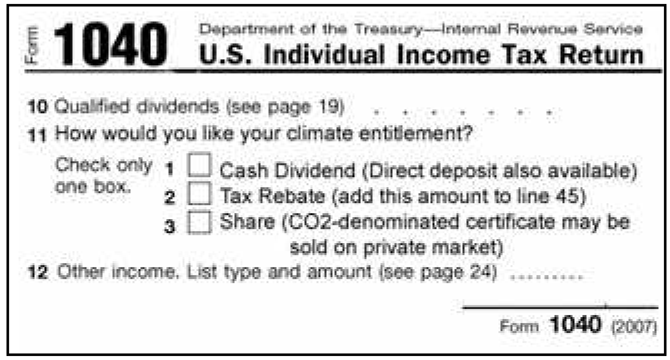
How would you like your Climate Entitlement: Dividend, Tax Credit, or Share?

California's cap on GHGs will create valuable permits that companies will need. If permits are auctioned, revenues can be used to compensate consumers for rising fuel prices. A check box on your state tax form asks how you wish to receive your annual climate entitlement.



Form **1040** Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return

10 Qualified dividends (see page 19) . . . .
11 How would you like your climate entitlement?

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 may be sold on private market)

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

Form **1040** (2007)

Your choice:

Auction/Dividend or Tax Credit:

You receive: Cash Dividend/Tax Cut

Deposit the check in your bank account.

Carbon Share:

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.

This factsheet is part of a series available at www.carbonshare.org
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