

*P-1st Reading
4/22/26 WMFM
PB*

A BILL FOR AN ACT

To suspend the Carbon Tax due to global fuel supply disruptions, and for other related purposes.

THE PEOPLE OF PALAU REPRESENTED IN THE OLBIL ERA KELULAU DO ENACT AS FOLLOWS:

1 **Section 1. Legislative Findings.** The Olbil Era Kelulau finds that recent global
2 events have disrupted global supplies of energy. The cost of fuel in the Republic has risen
3 by a commensurate amount. Fuel is a key input to the Republic's economy. It is also a
4 necessity for our citizens, who primarily use vehicles driven by gasoline and whose homes
5 rely on the diesel generators of the Palau Public Utilities Corporation.

6 As such, and to help reduce the risk of a national recession, the Olbil Era Kelulau
7 finds that the Carbon Tax should be suspended for up to one year. While suspension of the
8 Carbon Tax will not fully offset the increased cost of energy, it represents a necessary step
9 at this time.

10 **Section 2. Suspension of Tax.** Effective from the date of this Act, the Carbon Tax
11 provided for under Section 2661 of Title 40 of the Palau National Code is suspended. This
12 suspension shall terminate after one year, or sooner if the President of the Republic certifies
13 in a signed letter to presiding officer of each house of the Olbil Era Kelulau that there is no
14 longer any risk of a recession in the Republic due to energy price increases.

15 **Section 3. Effective date.** This Act shall take effect on when it becomes law by
16 operation of the Constitution of the Republic of Palau.

Date: 4/14/2026


Introduced by: *[Signature]*
Senator Lentcer Basilius

[Signature]
Senator Mark U. Rudimch

[Signature]
Senator Kerai Mariur

[Signature]
Senator Ann Latii Pedro

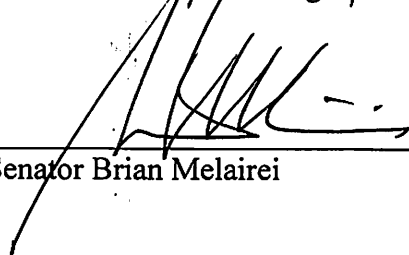
[Signature]
Senator Siegfried Bai Nakamura




Senator TJ Imrrer Remengesau



Senator Salvador "Sadoi" Tellames



Senator Brian Melairei



Senator Stevenson J. Kuartei