

STAND. COM. REP. NO.

1342

Honolulu, Hawaii

MAR 23 2007

RE: H.B. No. 506  
H.D. 1  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committee on Economic Development and Taxation, to which was referred H.B. No. 506, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ETHANOL,"

begs leave to report as follows:

The purpose of this measure is to extend the tax credit for qualified ethanol production facilities for five years from January 1, 2012, to January 1, 2017.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism and Alexander & Baldwin, Inc. The Department of Taxation (Department) and the Tax Foundation of Hawaii submitted comments on this measure.

Your Committee received a revenue impact statement from the Department that the projected average revenue loss for fiscal year 2012 through fiscal year 2017 is less than \$11,000 annually. In their methodology, the Department stated that the total amount claimed in 2004 was \$8,078, and inflation rates were applied to determine these projections. The Department also stated that should additional ethanol production facilities be developed, the revenue loss would increase. Your Committee has not heard, however, that any additional facilities have moved beyond the "possible" stage.



Your Committee notes that the effective date of this measure is July 1, 2050, which will allow for continuing discussion as additional information may become available.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 506, H.D. 1, S.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development and Taxation,



CAROL FUKUNAGA, Chair



The Senate  
Twenty-Fourth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Economic Development and Taxation**  
**EDT**

Bill / Resolution No.:*	Committee Referral:	Date:
HB 506 HDI SDI	ENE, EDT, WAM	3/22/07
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input checked="" type="checkbox"/> Pass, unamended 2312	<input type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313
Members	Aye	Aye (WR)      Nay      Excused
FUKUNAGA, Carol (C)	✓	
ESPERO, Will (VC)	✓	
ENGLISH, J. Kalani	✓	
IGE, David Y.	✓	
SLOM, Sam	✓	
<b>TOTAL</b>	<b>5</b>	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature: <span style="float: right;"><i>Will Espero</i></span>		
Distribution:      Original      Yellow      Pink File with Committee Report      Clerk's Office      Drafting Agency		

\*Only one measure per Record of Votes