STAND. COM. REP. NO. 2524

Honolulu, Hawaii FFR 15 7008

RE: S.B. No. 2764

S.D. 2

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Madam:

Your Committee on Economic Development and Taxation, to which was referred S.B. No. 2764, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ETHANOL FACILITY TAX CREDIT," begs leave to report as follows:

The purpose of this measure is to encourage the construction and operation of large-capacity ethanol production facilities by:

- (1) Repealing the qualifying capacity limits of ethanol production facilities;
- (2) Providing a vehicle to change the total ethanol facility tax credits allowed per year; and
- (3) Repealing the sunset provision with respect to the total nameplate capacity for qualifying ethanol production facilities.

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

Your Committee finds that this measure would support the State's goal of increasing ethanol production and use in Hawaii by providing additional flexibility for the industry. Your Committee has heard concerns regarding the cap and finds this is an issue that will benefit from additional legislative deliberation.

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Your Committee has amended this measure accordingly, by making the effective date July 1, 2025, for the purpose of further discussion.

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 S.B. No. 2764, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.B. No. 2764, S.D. 2.

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:	
562764501	ENE, ENT, WAM			2/14/08	
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
FUKUNAGA, Carol (C)					
ESPERO, Will (VC)		7			
BAKER, Rosalyn H.		/			
ENGLISH, J. Kalani					
IGE, David Y.					
SLOM, Sam					
TOTAL		5			/
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature: Will Eyes					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes