H.B. NO. 1491

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A BILL FOR AN ACT

RELATING TO ETHANOL FACILITY TAX CREDIT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1	SECTI	ION 1. The legislature finds that the aggregate annual		
2	amount of	the ethanol facility tax credit is set by statute at		
3	\$12,000,000. This amount is more than sufficient to encourage			
4	ethanol production in the state.			
5	The purpose of this Act is to reduce the aggregate annual			
6	amount of	ethanol facility tax credits from \$12,000,000 to		
7	\$8,000,000 from January 1, 2009, through December 31, 2012.			
8	SECTION 2. Section 235-110.3, Hawaii Revised Statutes, is			
9	amended by amending subsection (d) to read as follows:			
10	"(d)	The department of business, economic development, and		
11	tourism shall:			
12	(1)	Maintain records of the total amount of investment		
13		made by each taxpayer in a facility;		
14	(2)	Verify the amount of the qualifying investment;		
15	(3)	Total all qualifying and cumulative investments that		
16		the department of business, economic development, and		
17		tourism certifies; and		

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(4) Certify the total amount of the tax credit for each 1 2 taxable year and the cumulative amount of the tax credit during the credit period. 3 4 Upon each determination, the department of business, 5 economic development, and tourism shall issue a certificate to 6 the taxpayer verifying the qualifying investment amounts, the 7 credit amount certified for each taxable year, and the 8 cumulative amount of the tax credit during the credit period. 9 The taxpayer shall file the certificate with the taxpayer's tax 10 return with the department of taxation. Notwithstanding the 11 department of business, economic development, and tourism's certification authority under this section, the director of 12 13 taxation may audit and adjust certification to conform to the 14 facts. 15 If in any year, except as otherwise provided in this 16 subsection, the annual amount of certified credits reaches 17 \$12,000,000 in the aggregate, the department of business, 18 economic development, and tourism shall immediately discontinue 19 certifying credits and notify the department of taxation. In no

20 instance shall the total amount of certified credits exceed

21 \$12,000,000 per year [-]; provided that beginning January 1,

22 2009, through December 31, 2012, the annual amount of certified



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credits allowed under this section shall not exceed \$8,000,000.
 Notwithstanding any other law to the contrary, this information
 shall be available for public inspection and dissemination under
 chapter 92F."

5 SECTION 3. Statutory material to be repealed is bracketed6 and stricken. New statutory material is underscored.

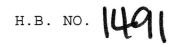
7 SECTION 4. This Act shall take effect upon its approval
8 and shall apply to taxable years beginning after December 31,
9 2008, and ending before January 1, 2013.

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INTRODUCED	BY:	Fan OL
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JAN 27 2009





Report Title: Taxation; Ethanol Facility Tax Credit

Description:

Caps the total annual amount of ethanol facility tax credits allowed at \$8,000,000 between 01/01/09 to 12/31/12.

