STAND. COM. REP. NO. **853**

Honolulu, Hawaii

Month, 2009

RE: H.B. No. 1491 H.D. 2

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1491, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ETHANOL FACILITY TAX CREDIT,"

begs leave to report as follows:

The purpose of this bill is to ensure fiscal stability during the economic slump by reducing the aggregate annual cap on the Ethanol Facility Tax Credit (Tax Credit) from \$12,000,000 to \$8,000,000 for one and a half years from July 1, 2011, until December 31, 2012.

The Department of Business, Economic Development, and Tourism opposed this measure. The Department of Taxation, Tax Foundation of Hawaii, and Hawaii BioEnergy provided comments.

Your Committee finds that while fiscal responsibility in this time of budgetary difficulty is prudent, the Tax Credit is an important tool in developing a renewable energy industry in Hawaii. To ensure the continuation of renewable energy projects within the state, once the economy recovers, it is crucial that investors are confident in the knowledge that the industry has the full support of the State. Accordingly, your Committee has amended this bill by providing that the full aggregate annual credit is reinstated after December 31, 2012.



Your Committee has also amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1491, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1491, H.D. 2.

Respectfully submitted on behalf of the members of the Committee on Finance,

MARCUS R. OSHIRO, Chair

State of Hawaii House of Representatives The Twenty-fifth Legislature



Record of Votes of the Committee on Finance

Bill/Resolution No.: Co	ommittee Referral: EEP, F	IN Date	: Feb 26	,2009
☐ The committee is reconsidering its previous				
The recommendation is to: Pass, unar Pass short	nended (as is)	ss, with amendments		
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)				
2. LEE, Marilyn B. (VC)				
3. AQUINO, Henry J.C.	\ \ \ \ \			
4. AWANA, Karen Leinani	<i>✓</i>			
5. BROWER, Tom				
6. CHOY, Isaac W.	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \			
7. COFFMAN, Denny				
8. HAR, Sharon E.				
9. KEITH-AGARAN, Gilbert S.C.				Pagint 1
10. LEE, Chris				
11. NISHIMOTO, Scott Y.				
12. SAGUM, Roland D., III				38.03e (19.11-1)
13. TOKIOKA, James Kunane				
14. WOOLEY, Jessica				
15. YAMASHITA, Kyle T.				
16. PINE, Kymberly Marcos		V		
17. WARD, Gene				
TOTAL (17)	14	2	0	1
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: Marily B. Lee				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				