

STAND. COM. REP. NO.

700

Honolulu, Hawaii

MAR 06 2009

RE: S.B. No. 512
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 512, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to change the ethanol facility tax credit to the biofuel facility tax credit.

Biofuel refers to ethanol or biodiesel produced from renewable, organic feedstock, or waste materials, including fats, oils, grease, and municipal solid waste.

This measure also changes the amount of the biofuel facility tax credit from thirty per cent of the qualified biofuel facility's nameplate capacity to 40 cents per gallon if the nameplate capacity is greater than 500,000 gallons but less than 15,000,000 gallons. This measure further requires that the nameplate capacity be determined by the facility owner and not exceed the amount of production actually recorded during a consecutive seven-day period multiplied by fifty-two.

Your Committee finds that the ethanol facility tax credit has not yet been used and believes that the expansion of the tax credit to biofuels will encourage local companies to utilize this dormant credit to reduce the State's dependence on imported oil and increase the amount of renewable energy in the State.



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Your Committee has amended this measure by:

- (1) Adding a requirement that the qualifying biofuel production facility be located within the State and utilize locally grown feedstock for at least seventy-five per cent of its production output; and
- (2) Changing the effective date to July 1, 2090, and the application of the tax credit to taxable years beginning after December 31, 2089, to facilitate further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 512, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 512, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DONNA MERCADO KIM, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 512 SD1	Committee Referral: ENE, WAM	Date: MAR 2, 2009		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
GALUTERIA, Brickwood	/			
HEE, Clayton	/			
HOOSER, Gary L.	/			
KIDANI, Michelle N.	/			
KOKUBUN, Russell S.				/
TOKUDA, Jill N.	/			
HEMMINGS, Fred	/			
TOTAL	11	0	0	1
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: 				
Distribution: <div style="display: flex; justify-content: space-between; font-size: small; margin-top: 5px;"> Original File with Committee Report Yellow Clerk's Office Pink Drafting Agency Goldenrod Committee File Copy </div>				

*Only one measure per Record of Votes