STAND. COM. REP. NO. 2951

Honolulu, Hawaii

MAR 2 3 2012

RE: H.B. No. 2740

H.D. 1

Honorable Shan S. Tsutsui President of the Senate Twenty-Sixth State Legislature Regular Session of 2012 State of Hawaii

Sir:

Your Committee on Energy and Environment, to which was referred H.B. No. 2740, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to maintain the reduced cost of electricity generation fueled by naphtha by extending the sunset date of the reduced fuel license tax rate on naphtha used in a power-generating facility to December 31, 2015.

Your Committee received testimony in support of this measure from the Public Utilities Commission and Kauai Island Utility Cooperative. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that if the fuel license tax rate on naphtha fuel is allowed to increase, the price of electricity will follow. The fuel license tax rate for naphtha is scheduled to increase more than tenfold on December 31, 2012. This measure would prevent this unwarranted increase in the tax rate.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2740, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Energy and Environment,

MIKE GABBARD, Chair

The Senate Twenty-Sixth Legislature State of Hawai'i

Record of Votes Committee on Energy and Environment ENE

Bill / Resolution No.:* HB 2740 HD	Committee ENE,		Dat L	e: 5 Mach	, Wh_
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
GABBARD, Mike (C)					
ENGLISH, J. Kalani (VC)			-	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
GREEN, M.D., Josh					
IHARA, Jr., Les		V			
SLOM, Sam					
an area a	·				
		<u> </u>			
		+ % - 1, 1 + 1,			
	i.				
- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Manifest 1	
				Agrach All May	
				1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
TOTAL		4			1
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

^{*}Only one measure per Record of Votes