

STAND. COM. REP. NO.

532

Honolulu, Hawaii

February 20, 2015

RE: H.B. No. 618

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which
was referred H.B. No. 618 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to promote greater energy
security and self-sufficiency for Hawaii by establishing a
renewable fuels production tax credit for a variety of renewable
fuels made from a variety of renewable feedstocks and repealing
the ethanol facility tax credit.

The Blue Planet Foundation, Pacific Biodiesel Technologies,
Hawaii Renewable Energy Alliance, Hawaii Energy Policy Forum, and
Renewable Energy Action Coalition of Hawaii supported the measure.
The Department of Business, Economic Development, and Tourism;
Department of Taxation; and Tax Foundation of Hawaii submitted
comments.

Your Committee has amended this measure by:

- (1) Making the aggregate tax-credit cap an unspecified sum;
- (2) Providing that the credit shall apply to taxable years
beginning after December 31, 2016, but shall not apply
to taxable years beginning December 31, 2022;



- (3) Redefining "renewable fuels" to mean fuels produced using less than one barrel of oil per ton of renewable fuel; and
- (4) Making conforming amendments and technical, nonsubstantive amendments.

Should your Committee on Finance deliberate this measure further, your Committee respectfully requests that it consider:

- (1) Setting the aggregate cap for the renewable fuels production tax credit at \$12,000,000; and
- (2) Whether to make the renewable fuels production tax credit a refundable or non-refundable tax credit.

In addition, your Committee requests that the Department of Business, Economic Development, and Tourism provide an analysis of the resources that it would need to administer the renewable fuels production tax credit.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 618, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 618, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



CHRIS LEE, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HSCR 532

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: HB 618	Committee Referral: EEP, FIN	Date: 2/3/15		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)	✓			
2. LOWEN, Nicole E. (VC)	✓			
3. CULLEN, Ty J.K.	✓			
4. EVANS, Cindy	✓			
5. ING, Kaniela				✓
6. NISHIMOTO, Scott Y.	✓			
7. SAY, Calvin K.Y.	✓			
8. YAMANE, Ryan I.	✓			
9. POUHA, Feki	✓			
10. THIELEN, Cynthia	✓			
TOTAL (10)	9	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u>Nicole E. Lowen</u>				
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