STAND. COM. REP. NO. 1671 -16

Honolulu, Hawaii , 2016 RE: S.B. No. 2652 S.D. 2 H.D. 2

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Eighth State Legislature Regular Session of 2016 State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2652, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

SB2652 HD2 HSCR FIN HMS 2016-3155

The purpose of this measure is to:

- Establish a five-year renewable fuels production income tax credit;
- (2) Require the Department of Business, Economic Development, and Tourism to certify all renewable fuels production income tax credits and submit a report regarding the production and sale of renewable fuels to the Governor and Legislature each year;
- (3) Repeal the existing ethanol facility tax credit;
- (4) Establish an organic foods production tax credit; and
- (5) Require the Department of Agriculture to certify all organic foods production tax credits.

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The Renewable Energy Action Coalition of Hawaii, Hawaii Gas, Anaergia, and an individual provided testimony in support of the measure. The Department of Business, Economic Development, and Tourism, Department of Taxation, Tax Foundation of Hawaii, Pacific Biodiesel Technologies, Hawaii Energy Policy Forum, Hawaii Renewable Energy Alliance, Hawaii Center for Food Safety, and Ulupono Initiative provided comments.

Your Committee has amended this measure by:

- (1) Changing various tax credit amounts to unspecified amounts; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 S.B. No. 2652, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2652, S.D. 2, H.D. 2.

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

LUKE. Chai



State of Hawaii House of Representatives The Twenty-eighth Legislature



Record of Votes of the Committee on Finance

Bill/Resolution No.: SB 2652, SD2, HD1		nmittee Referral: EEP, FIN		Date: 4/5/16			
The committee is reconsidering its p	revious decision	on the measure.					
	ass, unamended (ass short form bil	(as is) Il with HD to record	s, with amend nmit for futur				
FIN Members		Ayes	Ayes (W	/R)	Nays	Excused	
1. LUKE, Sylvia (C)					~		
2. NISHIMOTO, Scott Y. (VC)							
3. CACHOLA, Romy M.							
4. CULLEN, Ty J.K.							
5. DeCOITE, Lynn							
6. JOHANSON, Aaron Ling				_			
7. JORDAN, Jo							
8. KEOHOKALOLE, Jarrett						1	
9. KOBAYASHI, Bertrand			1			1	
10. LoPRESTI, Matthew S.						1	
11. LOWEN, Nicole E.						1	
12. ONISHI, Richard H.K.						1	
13. TOKIOKA, James Kunane			1			1	
14. YAMASHITA, Kyle T.							
15. POUHA, Feki							
16. WARD, Gene						ļ	
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TOTAL (16)		15	(
	mendation is: Adopted If joint referral, did not support recommendation.						
Vice Chair's or designee's signature:		2 - 2 = 2					
Distribution: Original (White) - Con	r mittee Du	uplicate (Yellow) -	- Chief Clerk's	s Office	Duplicate (Pink) – HMSO	