STAND. COM. REP. NO.

3304

Honolulu, Hawaii

## MAR 2 2 2022

RE: H.B. No. 1809 H.D. 3 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2022 State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism, to which was referred H.B. No. 1809, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a renewable fuels production tax credit.

Your Committee received testimony in support of this measure from the Hawaii State Energy Office; Pacific Biodiesel Technologies, LLC; Hawai'i Gas; Par Hawaii; Hawaii Clean Power Alliance; Climate Protectors Hawai'i; 350Hawaii.org; Environmental Caucus of the Democratic Party of Hawai'i; and eight individuals. Your Committee received testimony in opposition to this measure from two individuals. Your Committee received comments on this measure from the Department of Taxation, Department of Budget and Finance, Tax Foundation of Hawaii, and Pet Food Institute.

Your Committee finds that it is critical to achieve greater energy security for the State. Your Committee further finds that the renewable fuels production tax credit established through Act 202, Session Laws of Hawaii 2016, was repealed on December 31, 2021. Your Committee believes that reestablishing a renewable fuels production tax credit will increase the production of renewable fuels, which, in turn, facilitates the development and



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integration of renewable energy systems, diversifies energy technology, enhances energy resiliency, and furthers the realization of Hawaii's renewable energy goals.

Your Committee has amended this measure by:

- Inserting language that allows the tax credit to be taken upfront at a seventy percent reduced rate;
- (2) Amends the requirement for the Hawaii State Energy Office to certify that the renewable fuels produced have life cycle emissions substantially below that of fossil fuels from annually to every five years;
- (3) Inserting language that protects the confidential data within the verification and certification information, taxpayer and facility information, and renewable fuels production information submitted;
- (4) Adding wastewater to the list of renewable feedstocks;
- (5) Adding bioenergy to the definition of renewable fuels; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1809, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1809, H.D. 3, S.D. 1, and be referred to your Committee on Ways and Means.

> Respectfully submitted on behalf of the members of the Committee on Energy, Economic Development, and Tourism,





## The Senate Thirty-First Legislature State of Hawai'i

## Record of Votes Committee on Energy, Economic Development, and Tourism EET

Bill / Resolution No.:* Committee Referral: Date:				
HB1809 HD3 EET, WAM 3/14/22				
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
WAKAI, Glenn (C)				
MISALUCHA, Bennette E. (VC)				
LEE, Chris				
RIVIERE, Gil				
FEVELLA, Kurt				
TOTAL	5	Ø	(7)	CX
Recommendation:		L	_ <del></del>	<u> </u>
Adopted Not Adopted				
Chair's or Designee's Signature: Demette & Minlich				
Distribution: Original Yellow Pink Goldenrod   File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

\*Only <u>one</u> measure per Record of Votes