STAND. COM. REP. NO. 103

Honolulu, Hawaii MAR 0 1 , 2024 RE: H.B. No. 2767 H.D. 2

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2024 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2767, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE FUEL,"

begs leave to report as follows:

The purpose of this measure is to:

- Increase the dollar amount and extend the credit period of the renewable fuels production tax credit;
- (2) Establish an additional tax credit for the production of sustainable aviation fuel;
- (3) Change the maximum amount of tax credits that can be claimed by a taxpayer;
- (4) Reset taxpayer's ability to claim credits, if they already claimed credits, for taxable years beginning after December 31, 2023; and
- (5) Amend the maximum total amount of tax credits allowed for all eligible taxpayers in a calendar year.

Your Committee received testimony in support of this measure from the Hawai'i Farm Bureau; Biotechnology Innovation

2024-2106 HB2767 HD2 HSCR HMSO

STAND. COM. REP. NO. **LO34** -24 Page 2

Organization; Airlines for America; Pono Pacific; and Hawaiian Airlines. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Taxation; Department of the Attorney General; Hawaii State Energy Office; Pacific Biodiesel; Tax Foundation of Hawaii; and Par Hawaii.

Your Committee has amended this measure by:

- Changing the increased credit amount to an unspecified amount;
- (2) Changing the ten-year credit period to an unspecified timeframe;
- (3) Changing the maximum total amount of tax credits allowed for all eligible taxpayers in a calendar year to an unspecified percentage; and
- (4) Making technical, nonsubstantive amendments for the purposes of 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 H.B. No. 2767, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2767, H.D. 2.

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

KYLE T. YAMASHITA, Chair



State of Hawaii House of Representatives The Thirty-second Legislature



Record of Votes of the Committee on Finance

| Bill/Resolution No.: | | e Referral: | Dat | | · · · · |
|--|---------------------------------------|----------------------|---|---------------------------------------|---|
| HB2767 HD1 EEP, FIN 02/28/2024 | | | | | |
| The committee is reconsidering its previous decision on the measure. | | | | | |
| The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit) | | | | | |
| FIN Mem | bers | Ayes | Ayes (WR) | Nays | Excused |
| 1. YAMASHITA, Kyle T | F. (C) | V | | | |
| 2. KITAGAWA, Lisa (V | C) | \checkmark | | | |
| 3. AIU, Micah P.K. | | | | | |
| 4. CHUN, Cory M. | . · | \sim | | | |
| 5. COCHRAN, Elle | | | | | \sim |
| 6. GARRETT, Andrew | Fakuya | | | | |
| 7. KAHALOA, Kirstin | | < | | | |
| 8. KILA, Darius K. | | - | | \checkmark | |
| 9. KOBAYASHI, Bertra | | | | | |
| 10. LAMOSAO, Rachele | F. | \checkmark | | nonennen (n. 1. ganne zen erretter) | |
| 11. MORIKAWA, Dee | | V | | | |
| 12. NISHIMOTO, Scott Y | | <u> </u> | | in and the first of the state | |
| 13. POEPOE, Mahina | | \checkmark | | | |
| 14. TAKENOUCHI, Jenn | 8 | <u> </u> | TRATING STREET, | | 1. Sector and the sector se |
| 15. ALCOS III, David | | <u> </u> | | | The star from the second |
| 16. WARD, Gene | | V | | | |
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| TOTAL (| 16) | 13 | () | 2 | 1 |
| The recommendation is: | Adopted | Not Adopte | d | | I |
| If joint referral, did not support recommendation. | | | | | |
| Vice Chair's or designee's signature: | | | | | |
| Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO | | | | | |