

STAND. COM. REP. NO.

654

Honolulu, Hawaii

**FEB 14**, 2025

RE: H.B. No. 976  
H.D. 2

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Madame:

Your Committee on Economic Development & Technology, to which was referred H.B. No. 976, 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 advance Hawaii's commitment to reducing greenhouse gas emissions by:

- (1) Establishing a temporary Sustainable Aviation Fuel Import Income Tax Credit; and
- (2) Amending the Renewable Fuels Production Tax Credit by:
  - (A) Increasing the tax credit rate;
  - (B) Repealing the cap on claimable credits per taxpayer per taxable year and increasing the cap on total claimable credits for all eligible taxpayers per calendar year;
  - (C) Specifying that the credit may be claimed for fuels that meet certain lifecycle greenhouse gas emissions and product transportation emissions;

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- (D) Adding credit values for low lifecycle emissions renewable fuels and sustainable aviation fuels produced;
- (E) Allowing a taxpayer who previously claimed a credit to claim another credit for taxable years beginning after December 31, 2024;
- (F) Amending the credit period to be for a maximum period of ten consecutive years, beginning from the effective date of this Act; and
- (G) Amending the required information in the certified statement for the credit.

Your Committee received testimony in support of this measure from the Department of Transportation; Coalition Earth; Pono Pacific; Hawai'i Renewable Fuels Coalition; Hawai'i Farm Bureau; Airlines for America; Biotechnology Innovation organization; Twelve Benefit Corporation; Par Hawaii; Aloha Carbon; Pacific Biodiesel; Japan Airlines; and Hawaiian Electric. Your Committee received testimony in opposition to this measure from the Environmental Caucus of the Democratic Party of Hawai'i; Kauai Climate Action Coalition; Energy Justice Network; and numerous individuals. Your Committee received comments on this measure from the Department of Taxation; Hawaii State Energy Office; Office of Planning and Sustainable Development; Tax Foundation of Hawaii; Simonpietri Enterprises; Hawaii Environmental Change Agents, Solid Waste Reduction Task Force; and one individual.

Your Committee finds that the State is committed to reducing greenhouse gas emissions and transitioning to a decarbonized economy. Your Committee further finds that increasing the use and production of renewable fuels will spur investment in the local economy and support job growth while providing substantial environmental benefits.

Your Committee has amended this measure by:

- (1) Removing the temporary Sustainable Aviation Fuel Import Income Tax Credit;
- (2) Reinstating the \$20,000,000 aggregate cap on Renewable Fuels Production Tax Credits claimable by all eligible



taxpayers per taxable year and removing the incremental increases of this cap per calendar year;

- (3) Including biogas or renewable natural gas, gaseous carbon dioxide, and renewable or zero carbon energy resources in the definition of "renewable feedstocks";
- (4) Clarifying that fuels must meet the lifecycle greenhouse gas emissions reduction threshold to be considered "renewable fuels";
- (5) Removing the qualification that liquid fuel must be derived from biomass resources, waste streams, renewable or zero carbon energy sources, or gaseous carbon oxides to meet the definition of "sustainable aviation fuel"; and
- (6) 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 Economic Development & Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 976, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 976, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development & Technology,

  
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GREGGOR ILAGAN, Chair



