

Honolulu, Hawaii

APR 10, 2026

RE: S.B. No. 2376
S.D. 2
H.D. 2

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Finance, to which was referred S.B. No. 2376, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE RENEWABLE FUELS PRODUCTION TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to amend the Renewable Fuels Production Tax Credit for taxable years beginning after December 31, 2025, by:

- (1) Increasing the annual dollar amount of the credit;
- (2) Increasing the cap amount for credits claimed by a single taxpayer;
- (3) Limiting the credit to low lifecycle emissions renewable fuels;
- (4) Allowing taxpayers who previously claimed the credit for a single credit period for taxable years beginning before January 1, 2027, to claim another credit;



- (5) Amending the required contents of the independent third-party certified statement provided by taxpayers claiming the credit;
- (6) Requiring the Hawaii State Energy Office to provide taxpayers with a determination of whether certain emissions thresholds are met; and
- (7) Establishing certain proportional allocation processes to be used when total credit claims exceed the aggregate cap and when total credit claims are lower than the aggregate cap.

Your Committee received testimony in support of this measure from the Kapolei Chamber of Commerce; Hawai'i Farm Bureau; Hawai'i Renewable Fuels Coalition; Pono Pacific; Norwegian Cruise Line Holding Ltd; Simonpietri Enterprises LLC; and Par Hawaii. Your Committee received testimony in opposition to this measure from the Environmental Caucus of the Democratic Party of Hawai'i and one individual. Your Committee received comments on this measure from the Department of Taxation; Hawaii State Energy Office; Alaska Airlines and Hawaiian Airlines; Tax Foundation of Hawaii; Island Energy Services, LLC; and Hawai'i Gas.

Your Committee has amended this measure by:

- (1) Changing the annual dollar amount of the Renewable Fuels Production Tax Credit to an unspecified amount;
- (2) Changing the tax credit cap per taxpayer per taxable year to an unspecified amount; and
- (3) Including sustainable aviation fuel in the definition of "renewable fuels" for the purposes of the tax credit.

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. 2376, 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. 2376, S.D. 2, H.D. 2.



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



CHRIS TODD, Chair



