

Honolulu, Hawaii

**MAR 30**, 2026

RE: S.B. No. 2376  
S.D. 2  
H.D. 1

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

Madame:

Your Committee on Economic Development & Technology, 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 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 Hawaii Transportation Association; Hawai'i Farm Bureau; Pono Pacific; Hawai'i Gas; Simonpietri Enterprises LLC; Hawaii Clean Power Alliance; Hawai'i Renewable Fuels Coalition; and Par Hawaii. Your Committee received testimony in opposition to this measure from Energy Justice Network and one individual. Your Committee received comments on this measure from the Department of Taxation; Hawai'i State Energy Office; Island Energy Services, LLC; Alaska Airlines and Hawaiian Airlines; and Tax Foundation of Hawaii.

Your Committee finds that transportation is responsible for nearly half of the State's greenhouse gas emissions. Your Committee further finds that the Renewable Fuels Production Tax Credit is a key mechanism for incentivizing the production of cleaner fuels and that encouraging further private investment in diverse types of renewable fuels can help lower carbon emissions and promote economic growth. Your Committee further finds that strengthening the credit could encourage increased renewable fuel production, create new demand for agricultural production and local feedstocks, and support the State's environmental goals. This measure encourages increased production of renewable fuels by amending the Renewable Fuels Production Tax Credit to increase the amount of the credit and certain cap amounts and ensure an equitable distribution of credits when the aggregate cap is reached.

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 S.B. No. 2376, S.D. 2, H.D. 1, and recommends that it be referred to your Committee on Finance.



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

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

GREGGOR ILAGAN, Chair



