

STAND. COM. REP. NO.

1637

Honolulu, Hawaii

April 10

, 2015

RE: S.B. No. 349

S.D. 2

H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 349, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to promote greater energy security by:

- (1) Establishing a refundable renewable fuels production tax credit; and
- (2) Repealing the ethanol facility tax credit.

The Office of Economic Development of the County of Kauai; Hawaii Energy Policy Forum; Renewable Energy Action Coalition of Hawaii; Ulupono Initiative; Anaergia Services, LLC; Hawaii Biofuels Foundation; Pacific Biodiesel Technologies; Hawaii Renewable Energy Alliance; BioEnergy Hawaii, LLC; and an individual supported this measure. The Department of Business, Economic Development, and Tourism; Department of Taxation; and Tax Foundation of Hawaii commented on this measure.

SB349 HD2 HSCR FIN HMS 2015-3223

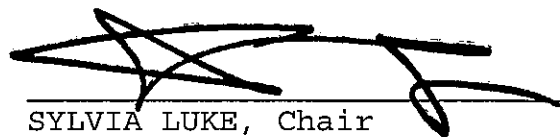


Your Committee has amended this measure by:

- (1) Changing the amount of the renewable fuels production tax credit and maximum tax credit amount that can be claimed to unspecified amounts;
- (2) Changing the aggregate credit cap to an unspecified amount;
- (3) Making the tax credit non-refundable;
- (4) Changing the effective date to July 1, 2030, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for 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 S.B. No. 349, 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. 349, S.D. 2, H.D. 2.

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



SYLVIA LUKE, Chair



