

Honolulu, Hawaii

MAY 01 2015

RE: S.B. No. 349
S.D. 2
H.D. 2
C.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

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

Madam and Sir:

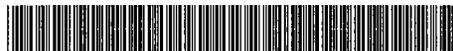
Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 349, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Establish a renewable fuels production tax credit;
- (2) Repeal the ethanol facility tax credit; and
- (3) Require the Department of Business, Economic Development, and Tourism to certify all tax credits and submit a report regarding the production and sale of renewable fuels to the Governor and Legislature each year.



Your Committee on Conference finds that the State is vulnerable to soaring energy prices and disruptions of its energy imports, which can hinder, cripple, or even devastate the State's economy and the well-being of its residents. The State imports nearly ninety percent of its energy needs and almost one hundred percent of its transportation needs. It is critical that the State becomes more self-sufficient to ensure greater energy security. The establishment of a renewable fuels production tax credit will advance the State's clean energy initiatives and assist the State in achieving greater energy security.

Your Committee on Conference has amended this measure by:

- (1) Making the renewable fuels production tax credit refundable;
- (2) Authorizing taxpayers to claim a refundable renewable fuels production tax credit equal to 20 cents per seventy-six thousand British thermal units of qualifying renewable fuel;
- (3) Limiting the renewable fuels production tax credit claimable by a taxpayer to \$3,000,000 per taxable year;
- (4) Limiting the renewable fuels production tax credit to \$3,000,000 per year in the aggregate; and
- (5) Inserting a sunset date for the tax credit of June 30, 2020.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 349, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 349, S.D. 2, H.D. 2, C.D. 1.

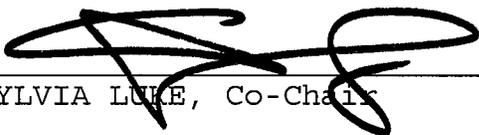


Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

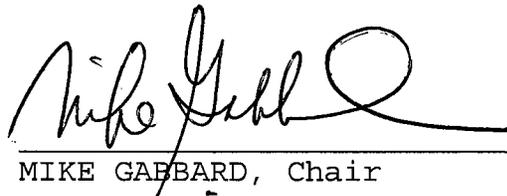


CHRIS LEE, Co-Chair



SYLVIA LUKE, Co-Chair

ON THE PART OF THE SENATE



MIKE GABBARD, Chair



JILL N. TOKUDA, Co-Chair



Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: SB 349, SD 2, HD 2	Date/Time: <i>5/01/15 4:38 p.m.</i>
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The recommendation of the House and Senate managers is to pass with amendments (CD).

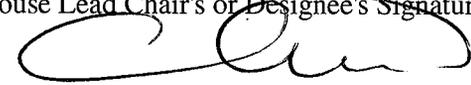
The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
GABBARD, Mike, Chr.	✓				LEE, Chris, Co-Chr.	✓			
TOKUDA, Jill N., Co-Chr.	✓				LUKE, Sylvia, Co-Chr.	✓			
IHARA, Les, Jr.	✓				LOWEN, Nicole E.	✓			
					THIELEN, Cynthia	✓			
TOTAL	<i>3</i>	<i>-</i>	<i>-</i>	<i>-</i>	TOTAL	<i>4</i>	<i>-</i>	<i>-</i>	<i>-</i>

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature: 
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Distribution: **Original** **Yellow** **Pink** **Goldenrod**
File with Conference Committee Report *House Clerk's Office* *Senate Clerk's Office* *Drafting Agency*