

STAND. COM. REP. NO.

1140

Honolulu, Hawaii

MAR 24 2017

RE: H.B. No. 1044
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committees on Transportation and Energy and Economic Development, Tourism, and Technology, to which was referred H.B. No. 1044, H.D. 1, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to replace the Department of Business, Economic Development, and Tourism's requirements related to the certification, administration, and verification of the renewable fuels production tax credit with a process that requires the taxpayer to submit a certified statement to the Department of Business, Economic Development, and Tourism.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; and Department of Taxation. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Tax Foundation of Hawaii.

Your Committees find that creating a stronger market for renewable fuels is essential for helping the State develop a sustainable clean energy economy. Act 202, Session Laws of Hawaii 2016, established a renewable fuels production tax credit aimed in part at developing a stronger renewable fuels market. Act 202



also required the Department of Business, Economic Development, and Tourism to collect and verify data relating to actual renewable fuels production in the State. However, the Department lacks the necessary expertise and resources to effectively carry out Act 202's mandates. Therefore, this measure replaces the Department's requirements associated with the certification, administration, and verification of the renewable fuels production credit with a survey of the renewable fuels production tax credit which will still allow the Department of Business, Economic Development, and Tourism to assess the effectiveness of the tax credit and report its findings to the Governor and Legislature.

Your Committees, however, acknowledge the testimony of the Department of Business, Economic Development, and Tourism requesting that this measure be amended to better align the Department's existing resources and expertise with this measure's statutory requirements.

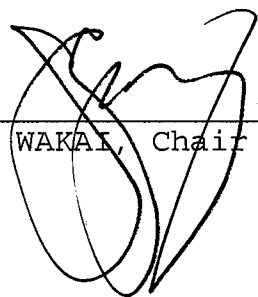
Accordingly, your Committees have amended this measure by:

- (1) Clarifying that the taxpayer claiming the renewable fuels production tax credit is required to file with the Department of Business, Economic Development, and Tourism an independent, third-party certified statement at the taxpayer's sole expense;
- (2) Clarifying the information that a taxpayer claiming the renewable fuels production credit is to provide to the Department of Business, Economic Development, and Tourism;
- (3) Clarifying that the \$3,000,000 aggregate cap applies to a calendar year;
- (4) Clarifying the information that the Department of Business, Economic Development, and Tourism is required to make available for public inspection and dissemination pursuant to chapter 92F, Hawaii Revised Statutes; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.




As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1044, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1044, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Transportation
and Energy and Economic
Development, Tourism, and
Technology,



GLENN WAKAI, Chair

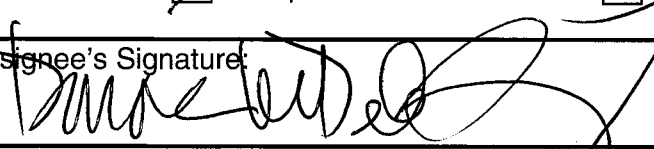


LORRAINE R. INOUYE, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i


Record of Votes
Committee on Transportation and Energy
TRE

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1044, HD1	TRE/ETT, WAM	3/22/17		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
INOUYE, Lorraine R. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
ENGLISH, J. Kalani				/
HARIMOTO, Breene				/
SHIMABUKURO, Maile S.L.	/			
TOTAL	3			2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes

The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Economic Development, Tourism, and Technology
ETT

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1044 HDI	TRB/ETT, WAM	3/21/17		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
BAKER, Rosalyn H.				✓
GALUTERIA, Brickwood	✓			
THIELEN, Laura H.	✓			
TOTAL	4	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

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