

JAN 24 2019

A BILL FOR AN ACT

RELATING TO TAXATION

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that climate change is
2 the most pressing issue of our time. Transportation-generated
3 greenhouse gas emissions are a significant contributor to
4 climate change. The state climate change commission has stated
5 that the most effective single means of reducing greenhouse gas
6 emissions is to "put a price on carbon". The concept of "carbon
7 pricing" is supported by various local and state entities and,
8 as of the end of 2018, fifty-one carbon pricing initiatives have
9 been implemented or scheduled for implementation worldwide.

10 The legislature further finds that the best means of carbon
11 pricing for the State is a use-based tax on all carbon dioxide-
12 emitting fuels, such as oil, gas, and coal. The department of
13 taxation already implements various fuel-based taxes, and a
14 state carbon emissions tax can be implemented by amending the
15 environmental response, energy, and food security tax and
16 repealing the state fuel tax. A carbon emissions tax could be



1 assessed and collected for each fuel based on the carbon
2 dioxide-emitting content of that fuel.

3 According to the department of taxation, the total tax
4 collected from fuel-based taxes in fiscal year 2017-2018 was
5 \$201.8 million. Of this, \$83.5 million was distributed to the
6 state highway fund and \$86.9 million to the counties' highway
7 funds. Another \$27 million was distributed to the environmental
8 response funds, \$1.7 million to the state boating fund, and \$2.6
9 million to the airport fund. On the consumption side, the
10 largest amount of taxable fuel consumed was gasoline, at 466.0
11 million gallons, and the next largest amount was aviation fuel,
12 at 263.2 million gallons, which together accounted for 79.2 per
13 cent of the total amount of taxable fuel consumed in the last
14 fiscal year.

15 To maintain the same level of state revenue - essentially,
16 to be revenue neutral - \$114.8 million needs to be generated
17 from a tax based on carbon dioxide emissions. Carbon emissions
18 taxes are usually calculated as a value per ton of carbon
19 dioxide equivalent emissions. Here, a tax of \$6.25 per ton of
20 carbon dioxide equivalent emissions will be needed to maintain
21 the current level of revenue. This tax equates to 5.56 cents



1 per gallon of gasoline, much less than the current state
2 gasoline tax of 16 cents per gallon. The county fuel taxes,
3 which are used by the counties for their respective highway
4 needs, would remain unaffected.

5 The purpose of this Act is to:

- 6 (1) Replace the environmental response, energy, and food
7 security tax with a carbon emission tax on the sale of
8 all fuels with carbon content; and
9 (2) Repeal the state fuel tax.

10 This Act is intended to be revenue neutral with the existing
11 fuel taxes.

12 SECTION 2. Chapter 243, Hawaii Revised Statutes, is
13 amended by amending its title to read as follows:

14 "CHAPTER 243

15 CARBON EMISSIONS AND FUEL TAX LAW"

16 SECTION 3. Section 243-3.5, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "§243-3.5 [~~Environmental response, energy, and food~~
19 ~~security tax; uses.~~] Carbon emissions tax. (a) In addition to
20 any other taxes provided by law, subject to the exemptions set
21 forth in section 243-7, there is hereby imposed a state



1 ~~[environmental response, energy, and food security tax on each~~
2 ~~barrel or fractional part of a barrel of petroleum product sold~~
3 ~~by a distributor to any retail dealer or end user of petroleum~~
4 ~~product, other than a refiner. The tax shall be \$1.05 on each~~
5 ~~barrel or fractional part of a barrel of petroleum product that~~
6 ~~is not aviation fuel; provided that of] carbon emissions tax of~~
7 ~~\$6.25 per ton of carbon dioxide equivalent emissions on all~~
8 ~~fossil fuels sold by a distributor to any retail dealer or end~~
9 ~~user of the fuel, other than a refiner. The tax shall be paid~~
10 ~~by the distributor of the fuel. The tax shall be as follows:~~

- 11 (1) Propane: \$0.0360 per gallon;
- 12 (2) Butane: \$0.0420 per gallon;
- 13 (3) Butane/propane mix: \$0.0388 per gallon;
- 14 (4) Home heating and diesel fuel (distillate): \$0.0635
15 per gallon;
- 16 (5) Kerosene: \$0.0610 per gallon;
- 17 (6) Coal (all types): \$13.1301 per short ton;
- 18 (7) Natural gas: \$0.3320 per thousand cubic feet;
- 19 (8) Gasoline: \$0.0556 per gallon;
- 20 (9) Residual heating fuel (businesses only): \$0.0737 per
21 gallon;



- 1 (10) Jet fuel: \$0.0598 per gallon;
- 2 (11) Aviation gas: \$0.0522 per gallon;
- 3 (12) Flared natural gas: \$0.3422 per thousand cubic feet;
- 4 (13) Petroleum coke: \$0.0919 per gallon;
- 5 (14) Other petroleum and miscellaneous fuels: \$0.0626 per
6 gallon;
- 7 (15) Asphalt and road oil: \$0.0747 per gallon;
- 8 (16) Lubricants: \$0.0670 per gallon;
- 9 (17) Petrochemical feedstocks: \$0.0701 per gallon;
- 10 (18) Special naphthas (solvents): \$0.0569 per gallon;
- 11 (19) Waxes: \$0.0598 per gallon;
- 12 (20) Anthracite: \$16.1167 per short ton;
- 13 (21) Bituminous: \$13.9800 per short ton;
- 14 (22) Subbituminous: \$10.5344 per short ton;
- 15 (23) Lignite: \$7.9141 per short ton;
- 16 (24) Coke: \$17.6892 per short ton;
- 17 (25) Municipal solid waste: \$16.3605 per short ton;
- 18 (26) Tire-derived fuel: \$17.4633 per short ton;
- 19 (27) Waste oil: \$2.6195 per barrel; and
- 20 (28) All other fuels: \$6.25 per ton of carbon dioxide
21 equivalent emissions;



1 provided that the department of taxation shall recommend updates
2 to the tax per fuel annually, based on the United States Energy
3 Information Administration's determination of carbon dioxide
4 emissions per energy source, and submit proposed legislation to
5 the legislature no later than twenty days prior to the convening
6 of each regular session of the legislature with updates to the
7 tax rates.

8 (b) Of the tax collected pursuant to this [subsection:]
9 section:

10 (1) [~~5 cents of the tax on each barrel~~] \$1,290,000 shall
11 be deposited into the environmental response revolving
12 fund established under section 128D-2;

13 (2) [~~15 cents of the tax on each barrel~~] \$3,872,000 shall
14 be deposited into the energy security special fund
15 established under section 201-12.8;

16 (3) [~~10 cents of the tax on each barrel~~] \$2,582,000 shall
17 be deposited into the energy systems development
18 special fund established under section 304A-2169.1;

19 and

20 (4) [~~15 cents of the tax on each barrel~~] \$3,872,000 shall
21 be deposited into the agricultural development and



1 food security special fund established under section
2 141-10.

3 ~~[The tax imposed by this subsection shall be paid by the~~
4 ~~distributor of the petroleum product.~~

5 ~~(b) In addition to subsection (a), the tax shall also be~~
6 ~~imposed on each one million British thermal units of fossil fuel~~
7 ~~sold by a distributor to any retail dealer or end user, other~~
8 ~~than a refiner, of fossil fuel. The tax shall be 19 cents on~~
9 ~~each one million British thermal units of fossil fuel, provided~~
10 ~~that of the tax collected pursuant to this subsection:~~

11 ~~(1) 4.8 per cent of the tax on each one million British~~
12 ~~thermal units shall be deposited into the~~
13 ~~environmental response revolving fund established~~
14 ~~under section 128D-2;~~

15 ~~(2) 14.3 per cent of the tax on each one million British~~
16 ~~thermal units shall be deposited into the energy~~
17 ~~security special fund established under section 201-~~
18 ~~12.8;~~

19 ~~(3) 9.5 per cent of the tax on each one million British~~
20 ~~thermal units shall be deposited into the energy~~



1 ~~systems development special fund established under~~
2 ~~section 304A-2169.1; and~~
3 ~~(4) 14.3 per cent of the tax on each one million British~~
4 ~~thermal units shall be deposited into the agricultural~~
5 ~~development and food security special fund established~~
6 ~~under section 141-10.~~

7 ~~The tax imposed by this subsection shall be paid by the~~
8 ~~distributor of the fossil fuel.]~~

9 (c) The tax imposed under subsection ~~[(b)]~~ (a) shall not
10 apply to coal used to fulfill a signed power purchase agreement
11 between an independent power producer and an electric utility
12 that is in effect ~~[as of]~~ between June 30, 2015~~[-. An]~~, and
13 September 1, 2022. Until September 1, 2022, an independent
14 power producer shall be permitted to pass the tax imposed under
15 subsection ~~[(b)]~~ (a) on to an electric utility~~[-. In]~~, in which
16 case, the electric utility may recover the cost of the tax
17 through an appropriate surcharge to the end user that is
18 approved by the public utilities commission.

19 (d) A gas utility shall be allowed to recover the cost of
20 the tax imposed under subsection ~~[(b)]~~ (a) as part of its fuel



1 cost in its fuel adjustment charge without further approval by
2 the public utilities commission.

3 (e) Each distributor subject to the tax imposed by
4 ~~[subsection (a) or (b)]~~ this section, on or before the last day
5 of each calendar month, shall file with the director, on forms
6 prescribed, prepared, and furnished by the director, a return
7 statement of the tax under this section for which the
8 distributor is liable for the preceding month. The form and
9 payment of the tax shall be transmitted to the department of
10 taxation in the appropriate district.

11 (f) ~~[Notwithstanding section 248-8 to the contrary, the~~
12 ~~environmental response, energy, and food security]~~ The tax
13 collected under this section shall be paid over to the director
14 of finance for deposit as provided in subsection ~~[(a) or]~~ (b) ~~[~~
15 ~~as the case may be.]~~ and section 248-8.

16 (g) Every distributor shall keep in the State and preserve
17 for five years a record in a form as the department of taxation
18 shall prescribe showing the total number of ~~[barrels, and the~~
19 ~~fractional part of barrels, of petroleum product or the total~~
20 ~~number of one million British thermal units of fossil fuel, as~~
21 ~~the case may be,]~~ units of carbon dioxide emitting fuels sold by



1 the distributor during any calendar month. The record shall
2 show any other data and figures relevant to the enforcement and
3 administration of this chapter as the department may require.

4 (h) No tax shall be collected in respect to any liquid
5 fuel, including diesel oil and liquefied petroleum gas, shown to
6 the satisfaction of the department to have been sold for use in
7 and actually delivered to, or sold in, the county of Kalawao.

8 ~~[(h)]~~ (i) For the purposes of this section:

9 ~~["Barrel" may be converted to million British thermal~~
10 ~~units, using the United States Department of Energy, Energy~~
11 ~~Information Administration annual energy review or annual energy~~
12 ~~outlook.]~~

13 "Fossil fuel" means a hydrocarbon deposit, such as coal,
14 natural gas, or liquefied natural gas, derived from the
15 accumulated remains of ancient plants or animals and used for
16 fuel [~~; provided that the term specifically does not include~~
17 ~~petroleum product]~~.

18 "Unit" means the unit of measurement customarily used for
19 the specific fossil fuel."

20 SECTION 4. Section 243-4, Hawaii Revised Statutes, is
21 amended to read as follows:



1 "§243-4 [License] County fuel taxes. (a) Every
2 distributor shall, in addition to any other taxes provided by
3 law, pay a [License] county fuel tax to the department of
4 taxation for each gallon of liquid fuel refined, manufactured,
5 produced, or compounded by the distributor and sold or used by
6 the distributor in the State or imported by the distributor, or
7 acquired by the distributor from persons who are not licensed
8 distributors, and sold or used by the distributor in the State.
9 Any person who sells or uses any liquid fuel, knowing that the
10 distributor from whom it was originally purchased has not paid
11 and is not paying the tax thereon, shall pay [such] the tax as
12 would have applied to [such] the sale or use by the distributor.
13 The rates of tax imposed are as follows:
14 ~~(1) For each gallon of diesel oil, 1 cent;~~
15 ~~(2) For each gallon of gasoline or other aviation fuel~~
16 ~~sold for use in or used for airplanes, 1 cent;~~
17 ~~(3) For each gallon of naphtha sold for use in a power-~~
18 ~~generating facility, 2 cents;~~
19 ~~(4)]~~ (1) For each gallon of liquid fuel, [~~other than fuel~~
20 ~~mentioned in paragraphs (1), (2), and (3), and]~~ other
21 than an alternative fuel, sold or used in the city and



1 county of Honolulu, or sold in any county for ultimate
2 use in the city and county of Honolulu, [~~16 cents~~
3 ~~state tax, and in addition thereto~~] an amount, to be
4 known as the "city and county of Honolulu fuel tax",
5 as shall be levied pursuant to section 243-5;

6 [~~(5)~~] (2) For each gallon of liquid fuel, [~~other than fuel~~
7 ~~mentioned in paragraphs (1), (2), and (3), and~~] other
8 than an alternative fuel, sold or used in the county
9 of Hawaii, or sold in any county for ultimate use in
10 the county of Hawaii, [~~16 cents state tax, and in~~
11 ~~addition thereto~~] an amount, to be known as the
12 "county of Hawaii fuel tax", as shall be levied
13 pursuant to section 243-5;

14 [~~(6)~~] (3) For each gallon of liquid fuel, [~~other than fuel~~
15 ~~mentioned in paragraphs (1), (2), and (3), and~~] other
16 than an alternative fuel, sold or used in the county
17 of Maui, or sold in any county for ultimate use in the
18 county of Maui, [~~16 cents state tax, and in addition~~
19 ~~thereto~~] an amount, to be known as the "county of Maui
20 fuel tax", as shall be levied pursuant to section 243-
21 5; and



1 [~~(7)~~] (4) For each gallon of liquid fuel, [~~other than fuel~~
2 ~~mentioned in paragraphs (1), (2), and (3), and~~] other
3 than an alternative fuel, sold or used in the county
4 of Kauai, or sold in any county for ultimate use in
5 the county of Kauai, [~~16 cents state tax, and in~~
6 ~~addition thereto~~] an amount, to be known as the
7 "county of Kauai fuel tax", as shall be levied
8 pursuant to section 243-5.

9 If it is shown to the satisfaction of the department, based
10 upon proper records and from any other evidence as the
11 department may require, that liquid fuel [~~, other than fuel~~
12 ~~mentioned in paragraphs (1), (2), and (3),~~] is used for
13 agricultural equipment that does not operate upon the public
14 highways of the State, the user thereof may obtain a refund of
15 all taxes thereon imposed by this section in excess of 1 cent
16 per gallon. The department shall adopt rules to administer such
17 refunds.

18 As used in this subsection, "liquid fuel" does not include
19 diesel oil, gasoline or other aviation fuel sold for use in or
20 used for airplanes, or naphtha sold for use in a power-
21 generating facility.



1 (b) Every distributor of diesel oil, in addition to the
2 tax required by subsection (a), shall pay a [~~license~~] county
3 fuel tax to the department for each gallon of diesel oil sold or
4 used by the distributor for operating a motor vehicle or motor
5 vehicles upon public highways of the State. The rates of the
6 additional tax imposed are as follows:

7 (1) For each gallon of diesel oil sold or used in the city
8 and county of Honolulu, or sold in any other county
9 for ultimate use in the city and county of Honolulu,
10 [~~15 cents state tax, and in addition thereto~~] an
11 amount, to be known as the "city and county of
12 Honolulu fuel tax", as shall be levied pursuant to
13 section 243-5;

14 (2) For each gallon of diesel oil sold or used in the
15 county of Hawaii, or sold in any other county for
16 ultimate use in the county of Hawaii, [~~15 cents state~~
17 ~~tax, and in addition thereto~~] an amount, to be known
18 as the "county of Hawaii fuel tax", as shall be levied
19 pursuant to section 243-5;

20 (3) For each gallon of diesel oil sold or used in the
21 county of Maui, or sold in any other county for



1 ultimate use in the county of Maui, [~~15 cents state~~
2 ~~tax, and in addition thereto~~] an amount, to be known
3 as the "county of Maui fuel tax", as shall be levied
4 pursuant to section 243-5; and

5 (4) For each gallon of diesel oil sold or used in the
6 county of Kauai, or sold in any other county for
7 ultimate use in the county of Kauai, [~~15 cents state~~
8 ~~tax, and in addition thereto~~] an amount, to be known
9 as the "county of Kauai fuel tax", as shall be levied
10 pursuant to section 243-5.

11 If any user of diesel oil furnishes a certificate, in a
12 form that the department shall prescribe, to the distributor or
13 if the distributor who uses diesel oil signs the certificate,
14 certifying that the diesel oil is for use in operating a motor
15 vehicle or motor vehicles in areas other than upon the public
16 highways of the State, the tax as provided in paragraphs (1) to
17 (4) shall not be applicable. If a certificate is not or cannot
18 be furnished and the diesel oil is in fact for use for operating
19 a motor vehicle or motor vehicles in areas other than upon
20 public highways of the State, the user thereof may obtain a
21 refund of all taxes thereon imposed by the foregoing paragraphs.



1 The department shall adopt rules to administer the refunding of
2 such taxes.

3 (c) The tax shall not be collected in respect to any
4 benzol, benzene, toluol, xylol, or alternative fuel sold for use
5 other than for operating internal combustion engines. [With
6 ~~respect to these products, other than alternative fuels, the~~
7 ~~department, by rule, shall provide for the reporting and payment~~
8 ~~of the tax and for the keeping of records in such a manner as to~~
9 ~~collect, for each gallon of each product sold for use in~~
10 ~~internal combustion engines for the generation of power, or so~~
11 ~~used, the same tax or taxes as apply to each gallon of diesel~~
12 ~~oil. With respect to alternative fuels, the only tax collected~~
13 ~~shall be that provided in paragraphs (1), (2), and (3) of this~~
14 ~~subsection. This subsection shall not apply to aviation fuel~~
15 ~~sold for use in or used for airplanes.~~

16 (1) ~~Every distributor of any alternative fuel for~~
17 ~~operation of an internal combustion engine shall pay a~~
18 ~~license tax to the department of one quarter of 1 cent~~
19 ~~for each gallon of alternative fuel sold or used by~~
20 ~~the distributor,~~



1 ~~(2) Every distributor, in addition to the tax required~~
2 ~~under paragraph (1) of this subsection, shall pay a~~
3 ~~license tax to the department for each gallon of~~
4 ~~alternative fuel sold or used by the distributor for~~
5 ~~operating a motor vehicle or motor vehicles upon the~~
6 ~~public highways of the State at a rate proportional to~~
7 ~~that of the rates applicable to diesel oil in~~
8 ~~subsection (b), rounded to the nearest one-tenth of a~~
9 ~~cent, as follows:~~

10 ~~(A) Ethanol, 0.145 times the rate for diesel;~~
11 ~~(B) Methanol, 0.11 times the rate for diesel;~~
12 ~~(C) Biodiesel, 0.25 times the rate for diesel;~~
13 ~~(D) Liquefied petroleum gas, 0.33 times the rate for~~
14 ~~diesel; and~~

15 ~~(E) For other alternative fuels, the rate shall be~~
16 ~~based on the energy content of the fuels as~~
17 ~~compared to diesel fuel, using a lower heating~~
18 ~~value of one hundred thirty thousand British~~
19 ~~thermal units per gallon as a standard for~~
20 ~~diesel, so that the tax rate, on an energy~~



1 ~~content basis, is equal to one quarter the rate~~
2 ~~for diesel fuel.~~

3 ~~The taxes so paid shall be paid into the state~~
4 ~~treasury and deposited in special funds or paid over~~
5 ~~in the same manner as provided in subsection (b) in~~
6 ~~respect of the tax on diesel oil;~~

7 (3) ~~If any user of alternative fuel furnishes to the~~
8 ~~distributor a certificate, in a form that the~~
9 ~~department shall prescribe or if the distributor who~~
10 ~~uses alternative fuel signs the certificate,~~
11 ~~certifying that the alternative fuel is for use in~~
12 ~~operating a motor vehicle or motor vehicles in areas~~
13 ~~other than upon the public highways of the State, the~~
14 ~~tax as provided by paragraphs (1) and (2) of this~~
15 ~~subsection shall not be applicable; provided that no~~
16 ~~certificate shall be required if the alternative fuel~~
17 ~~is used for fuel and heating purposes in the home. If~~
18 ~~a certificate is not or cannot be furnished and the~~
19 ~~alternative fuel is in fact used for operating an~~
20 ~~internal combustion engine or operating a motor~~
21 ~~vehicle or motor vehicles in areas other than upon the~~



1 ~~public highways of the State, the user thereof may~~
2 ~~obtain a refund of all taxes thereon imposed by the~~
3 ~~foregoing paragraphs. The department shall adopt~~
4 ~~rules to administer the refunding of these taxes.]~~

5 (d) No tax shall be collected in respect to any liquid
6 fuel, including diesel oil and liquefied petroleum gas, shown to
7 the satisfaction of the department to have been sold for use in
8 and actually delivered to, or sold in, the county of Kalawao."

9 SECTION 5. Section 243-5, Hawaii Revised Statutes, is
10 amended by amending its title to read as follows:

11 "§243-5 County fuel tax[-]; amount."

12 SECTION 6. Section 261-5, Hawaii Revised Statutes, is
13 amended by amending subsection (a) to read as follows:

14 "§261-5 Disposition of airport revenue fund. (a) Except
15 for:

16 (1) All proceeds from the passenger facility charge and
17 deposited in the passenger facility charge special
18 fund; and

19 (2) All proceeds from the rental motor vehicle customer
20 facility charge and deposited in the rental motor
21 vehicle customer facility charge special fund,



1 all moneys received by the department from rents, fees, and
2 other charges collected pursuant to this chapter, as well as all
3 [~~aviation fuel~~] taxes or gasoline or other aviation fuel sold
4 for use in or used for airplanes paid pursuant to section [243-
5 4(a)(2),] 243-3.5(a), shall be paid into the airport revenue
6 fund created by section 248-8.

7 All moneys paid into the airport revenue fund shall be
8 appropriated, applied, or expended by the department for any
9 purpose within the jurisdiction, powers, duties, and functions
10 of the department related to the statewide system of airports,
11 including, without limitation, the costs of operation,
12 maintenance, and repair of the statewide system of airports and
13 reserves therefor, and acquisitions (including real property and
14 interests therein), constructions, additions, expansions,
15 improvements, renewals, replacements, reconstruction,
16 engineering, investigation, and planning for the statewide
17 system of airports, all or any of which in the judgment of the
18 department are necessary to the performance of its duties or
19 functions. The department shall generate sufficient revenues
20 from its airport properties to meet all of the expenditures of
21 the statewide system of airports and to comply with section



1 39-61; provided that as long as sufficient revenues are
2 generated to meet [such] the expenditures, the director of
3 transportation [may], in the director's discretion, may grant a
4 rebate of the aviation fuel taxes paid into the airport revenue
5 fund during a fiscal year pursuant to sections [~~243-4(a)-(2)~~]
6 243-3.5(a) and 248-8 to any person who has paid airport use
7 charges or landing fees during [such] that fiscal year. [Such]
8 The rebate may be granted during the next succeeding fiscal year
9 but shall not exceed one-half cent per gallon per person, and
10 shall be computed on the total number of gallons for which the
11 tax was paid by [such] the person, for [such] the fiscal year."

12 SECTION 7. Sections 128D-2, 141-10, 201-12.8, 304A-2169.1,
13 Hawaii Revised Statutes, are amended by substituting the term
14 "carbon emissions tax", or similar term, wherever the word
15 "environmental response, energy, and food security tax", or
16 similar term, appears, as the context requires.

17 SECTION 8. Sections 243-8, 243-12, 243-13, and 243-14,
18 Hawaii Revised Statutes, are amended by substituting the word
19 "county fuel tax", or similar term, wherever the word "license
20 tax", or similar term, appears, as the context requires.



1 SECTION 9. Section 235-110.6, Hawaii Revised Statutes, is
2 repealed.

3 ~~["§235-110.6 Fuel tax credit for commercial fishers. (a)~~
4 ~~Each principal operator of a commercial fishing vessel who files~~
5 ~~an individual or corporate net income tax return for a taxable~~
6 ~~year may claim an income tax credit under this section against~~
7 ~~the Hawaii state individual or corporate net income tax.~~

8 ~~(b) The tax credit shall be an amount equal to the fuel~~
9 ~~taxes imposed under section 243-4(a) and paid by the principal~~
10 ~~operator during the taxable year.~~

11 ~~(c) The tax credit claimed under this section by the~~
12 ~~principal operator shall be deductible from the principal~~
13 ~~operator's individual or corporate income tax liability, if any,~~
14 ~~for the tax year in which the credit is properly claimed,~~
15 ~~provided that a husband and wife filing separate returns for a~~
16 ~~taxable year for which a joint return could have been made by~~
17 ~~them shall claim only the tax credit to which they would have~~
18 ~~been entitled had a joint return been filed. If the tax credit~~
19 ~~claimed by the principal operator under this section exceeds the~~
20 ~~amount of the income tax payments due from the principal~~
21 ~~operator, the excess of credit over payments due shall be~~



1 ~~refunded to the principal operator from the state highway fund,~~
2 ~~provided that the tax credit properly claimed by a principal~~
3 ~~operator who has no income tax liability shall be paid to the~~
4 ~~principal operator from the state highway fund; and provided~~
5 ~~further no refunds or payments on account of the tax credit~~
6 ~~allowed by this section shall be made for amounts less than \$1.~~

7 ~~(d) The director of taxation shall prepare such forms as~~
8 ~~may be necessary to claim a credit under this section, may~~
9 ~~require proof of the claim for the tax credit, and may adopt~~
10 ~~rules pursuant to chapter 91.~~

11 ~~(e) All of the provisions relating to assessments and~~
12 ~~refunds under this chapter and under section 231-23(c)(1) shall~~
13 ~~apply to the tax credit under this section.~~

14 ~~(f) Claims for the tax credit under this section,~~
15 ~~including any amended claims thereof, shall be filed on or~~
16 ~~before the end of the twelfth month following the taxable year~~
17 ~~for which the credit may be claimed.~~

18 ~~(g) As used in this section:~~

19 ~~(1) "Commercial fishing vessel" means any water vessel~~
20 ~~which is used to catch or process fish or transport~~
21 ~~fish loaded on the high seas.~~



1 ~~(2) "Principal operator" means any individual or corporate~~
 2 ~~resident taxpayer who derives at least fifty one per~~
 3 ~~cent of the taxpayer's gross annual income from~~
 4 ~~commercial fishing operations."]~~

5 SECTION 10. This Act does not affect rights and duties
 6 that matured, penalties that were incurred, and proceedings that
 7 were begun before its effective date.

8 SECTION 11. Statutory material to be repealed is bracketed
 9 and stricken. New statutory material is underscored.

10 SECTION 12. This Act shall take effect upon its approval;
 11 provided that section 9 shall apply to taxable years beginning
 12 after December 31, 2018.

13

INTRODUCED BY:

Kal Rhoads

~~AC Keith Lane~~

Assembly of Bill

Became Law

Russ E. Parr

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S.B. NO. 1463

Report Title:

Taxation; Carbon Emissions Tax; License Tax

Description:

Replaces the environmental response, energy, and food security tax with a carbon emissions tax. Repeals state fuel taxes under the fuel tax law.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

