

Honolulu, Hawaii
February 6, 2014

RE: H.B. No. 2060
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which
was referred H.B. No. 2060 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to establish a renewable fuels
production tax credit to achieve greater energy security for the
State and to repeal the ethanol facility tax credit.

Pacific Biodiesel Technologies, Hawaii Renewable Energy
Alliance, Blue Planet Foundation, Hawaii BioEnergy, LLC, and
several individuals testified in support of this measure. The
Department of Taxation and Tax Foundation of Hawaii commented on
this measure.

Your Committee has amended this measure by:

- (1) Removing the aggregate tax credit cap per taxpayer in a
credit period;
- (2) Amending the definition of "credit period" to mean a
maximum of five consecutive years from the first taxable
year in which a taxpayer begins qualifying renewable
fuels production;
- (3) Making 2025 the last taxable year in which the credit
may be claimed;



- (4) Changing the annual taxpayer credit cap to an unspecified amount; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee respectfully requests that your Committee on Economic Development & Business consider inserting a per taxpayer cap of \$3,000,000 per year and a credit of 30 cents per one hundred fifteen thousand British thermal units of renewable fuels using the lower heating value produced and sold for distribution in Hawaii.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2060, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2060, H.D. 1, and be referred to the Committee on Economic Development & Business.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



CHRIS LEE, Chair



HSOR 208-14

State of Hawaii
House of Representatives
The Twenty-seventh Legislature

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: HB 2060	Committee Referral: EEP, EDB, FIN	Date: 1/30/14
--	---	-------------------------

The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)	X			
2. THIELEN, Cynthia (VC)	X			
3. CULLEN, Ty J.K.	X			
4. EVANS, Cindy	X			
5. HANOHANO, Faye P.	X			
6. KAWAKAMI, Derek S.K.	X			
7. SAY, Calvin K.Y.	X			
8. NISHIMOTO, Scott Y.	X			
9. LOWEN, Nicole E.	X			
10. FALE, Richard Lee	X			
TOTAL (10)		10		

The recommendation is: Adopted Not Adopted
If joint referral, _____ did not support recommendation.
 committee acronym(s)

Vice Chair's or designee's signature: *Cynthia Thielen*

Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO