



GOV. MSG. NO. **886**

EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

June 4, 2007

The Honorable Colleen Hanabusa, President  
and Members of the Senate  
Twenty-Fourth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on June 4, 2007, the following bill was signed into law:

HB506 HD1 SD1 CD1

A BILL FOR AN ACT RELATING TO ETHANOL.  
(ACT 128)

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

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# A BILL FOR AN ACT

RELATING TO ETHANOL.

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

1 SECTION 1. Section 235-110.3, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) Each year during the credit period, there shall be  
4 allowed to each taxpayer subject to the taxes imposed by this  
5 chapter, an ethanol facility tax credit that shall be applied to  
6 the taxpayer's net income tax liability, if any, imposed by this  
7 chapter for the taxable year in which the credit is properly  
8 claimed.

9 For each qualified ethanol production facility, the annual  
10 dollar amount of the ethanol facility tax credit during the  
11 eight-year period shall be equal to thirty per cent of its  
12 nameplate capacity if the nameplate capacity is greater than  
13 five hundred thousand but less than fifteen million gallons. A  
14 taxpayer may claim this credit for each qualifying ethanol  
15 facility; provided that:

16 (1) The claim for this credit by any taxpayer of a  
17 qualifying ethanol production facility shall not



- 1 exceed one hundred per cent of the total of all  
 2 investments made by the taxpayer in the qualifying  
 3 ethanol production facility during the credit period;
- 4 (2) The qualifying ethanol production facility operated at  
 5 a level of production of at least seventy-five per  
 6 cent of its nameplate capacity on an annualized basis;
- 7 (3) The qualifying ethanol production facility is in  
 8 production on or before January 1, [~~2012~~] 2017; and
- 9 (4) No taxpayer that claims the credit under this section  
 10 shall claim any other tax credit under this chapter  
 11 for the same taxable year."

12 SECTION 2. Statutory material to be repealed is bracketed  
13 and stricken. New statutory material is underscored.

14 SECTION 3. This Act shall take effect on July 1, 2007.

APPROVED this 4 day of JUN , 2007



GOVERNOR OF THE STATE OF HAWAII

