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## A BILL FOR AN ACT

RELATING TO ETHANOL FACILITY TAX CREDIT.

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

1           SECTION 1. The legislature finds that the annual amount of  
2 the ethanol facility tax credits is set by statute at  
3 \$12,000,000. This amount is more than sufficient to meet the  
4 needs of ethanol produced in the State.

5           Therefore, this Act reduces the annual amount from  
6 \$12,000,000 to \$8,000,000 from January 1, 2008 through December  
7 31, 2012 to meet the funding needs of other agricultural  
8 concerns in the State.

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

11           "(d) The department of business, economic development, and  
12 tourism shall:

13           (1) Maintain records of the total amount of investment  
14           made by each taxpayer in a facility;

15           (2) Verify the amount of the qualifying investment;

16           (3) Total all qualifying and cumulative investments that  
17           the department of business, economic development, and  
18           tourism certifies; and



1           (4) Certify the total amount of the tax credit for each  
2           taxable year and the cumulative amount of the tax  
3           credit during the credit period.

4           Upon each determination, the department of business,  
5           economic development, and tourism shall issue a certificate to  
6           the taxpayer verifying the qualifying investment amounts, the  
7           credit amount certified for each taxable year, and the  
8           cumulative amount of the tax credit during the credit period.

9           The taxpayer shall file the certificate with the taxpayer's tax  
10          return with the department of taxation. Notwithstanding the  
11          department of business, economic development, and tourism's  
12          certification authority under this section, the director of  
13          taxation may audit and adjust certification to conform to the  
14          facts.

15          If in any year, except as otherwise provided in this  
16          subsection, the annual amount of certified credits reaches  
17          \$12,000,000 in the aggregate, the department of business,  
18          economic development, and tourism shall immediately discontinue  
19          certifying credits and notify the department of taxation. In no  
20          instance shall the total amount of certified credits exceed  
21          \$12,000,000 per year[-]; provided that beginning January 1,  
22          2008, through December 31, 2012, the annual amount of certified



1 credits allowed under this section shall not exceed \$8,000,000.

2 Notwithstanding any other law to the contrary, this information  
3 shall be available for public inspection and dissemination under  
4 chapter 92F."

5 SECTION 3. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7 SECTION 4. This Act shall take effect upon its approval  
8 and shall apply to taxable years beginning after December 31,  
9 2007 and ending before January 1, 2013.

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INTRODUCED BY:

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**Report Title:**

Taxation; Ethanol Facility Tax Credit

**Description:**

Caps the total annual amount of ethanol facility tax credits allowed at \$8,000,000 between 01/01/08 to 12/31/12.

