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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. Chapter 235, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§235- E-85 fueling facilities; income tax credit. (a)

5 Any owner of a retail station as defined in section 486H-1, that  
6 files a net income tax return for a taxable year may claim a tax  
7 credit for the actual cost of the installation of E-85 fueling  
8 facilities. This credit shall be available for E-85 fueling  
9 facilities installed and placed in service in the State after  
10 December 31, 2008.

11 (b) The credit allowed under this section shall be claimed  
12 against net income tax liability for the taxable year. For the  
13 purpose of this tax credit, "net income tax" liability means net  
14 income tax liability reduced by all other credits allowed to the  
15 taxpayer under this chapter.

16 (c) If the tax credit claimed by the taxpayer under this  
17 section exceeds the amount of income tax payments due from the



1 taxpayer, the excess credit may be carried forward until  
2 exhausted.

3 (d) Every claim, including amended claims, for the tax  
4 credit under this section shall be filed on or before the end of  
5 the twelfth month following the close of the taxable year for  
6 which the tax credit may be claimed. Failure to meet the filing  
7 requirements of this subsection shall constitute a waiver of the  
8 right to claim the tax credit.

9 (e) The director of taxation shall prepare any forms that  
10 may be necessary to claim a credit under this section. The  
11 director may also require the taxpayer to furnish information to  
12 ascertain the validity of the claims for credits made under this  
13 section.

14 (f) As used in this section:

15 "Actual cost of the installation" means the plans, design,  
16 construction, and materials necessary to put in place an E-85  
17 fueling facility at a site.

18 "E-85" means a petroleum product that is a blend of  
19 denatured ethanol and gasoline that contains eighty-five per  
20 cent ethanol by volume or at a minimum seventy-five per cent  
21 ethanol by volume and which complies with the American Society  
22 for Testing and Materials specification D 5798-99, as amended."



- 1 SECTION 2. New statutory material is underscored.
- 2 SECTION 3. This Act shall take effect on July 1, 2050.



**Report Title:**

Tax Credit; Ethanol

**Description:**

Creates a tax credit for retail stations for the installation of E-85 fueling facilities. Effective 7/1/2050. (SD2)

