

STAND. COM. REP. NO.

2945

Honolulu, Hawaii

MAR 14 2008

RE: H.B. No. 2922
H.D. 1
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred H.B. No. 2922, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO FUEL TAX,"

begs leave to report as follows:

The purpose of this measure is to reduce the license tax on diesel oil from two cents to one cent per gallon if the diesel oil is used in a power-generating facility.

Testimony in support of this measure was submitted by Kauai Island Utility Cooperative. Testimony in opposition to this measure was submitted by the Department of Transportation. Comments were submitted by the Director of Taxation and the Tax Foundation of Hawaii.

Act 209, Session Laws of Hawaii 2007, increased the rate of license tax imposed upon fuel distributors by section 243-4, Hawaii Revised Statutes, by an additional one cent per gallon of various types of fuel. Your Committee finds that in enacting Act 209, the Legislature did not intend the increased rate to apply to diesel oil sold or used for electrical power-generating facilities. Rather, your Committees believe that the intent of the Act was to tax transportation related fuels that did not contain alcohol and not diesel oil used in power-generating facilities.

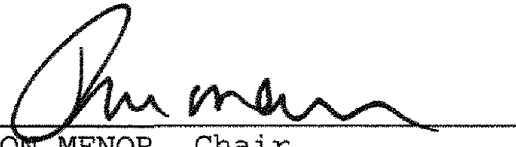


The Director of Taxation has suggested to your Committee that the definition of "power-generating facilities" contained in section 243-1, Hawaii Revised Statutes, will be repealed on December 31, 2009. As such, a permanent definition of that term should be provided.

Your Committee has amended this measure by deleting the contents of this measure and replacing it with the contents of S.B. No. 2519, S.D. 1. The amended measure achieves identical goals of the original measure, but removes the definition of "power-generating facilities" contained in section 243-1, Hawaii Revised Statutes, from the provisions that will be repealed on December 31, 2009.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2922, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2922, H.D. 1, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Respectfully submitted on
behalf of the members of the
Committee on Energy and
Environment,

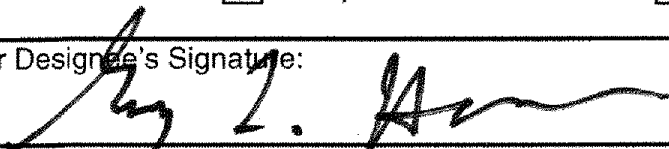


RON MENOR, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
 Committee on Energy and Environment
 ENE

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2922 HD1	ENE, EOT, WAM	3/13/08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
MENOR, Ron (C)	✓			
HOOSER, Gary L. (VC)	✓			
IHARA, Jr., Les	✓			
KOKUBUN, Russell S.				✓
TRIMBLE, Gordon				✓
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes