

STAND. COM. REP. NO.

2524

Honolulu, Hawaii

FEB 15 2008

RE: S.B. No. 2764
S.D. 2

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

Madam:

Your Committee on Economic Development and Taxation, to which was referred S.B. No. 2764, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ETHANOL FACILITY TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to encourage the construction and operation of large-capacity ethanol production facilities by:

- (1) Repealing the qualifying capacity limits of ethanol production facilities;
- (2) Providing a vehicle to change the total ethanol facility tax credits allowed per year; and
- (3) Repealing the sunset provision with respect to the total nameplate capacity for qualifying ethanol production facilities.

Testimony in support of this measure was received from Alexander & Baldwin, Inc. The Department of Business, Economic Development, and Tourism; the Department of Taxation; and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that this measure would support the State's goal of increasing ethanol production and use in Hawaii by providing additional flexibility for the industry. Your Committee has heard concerns regarding the cap and finds this is an issue that will benefit from additional legislative deliberation.


2008-1510 SSCR SMA.doc



Your Committee has amended this measure accordingly, by making the effective date July 1, 2025, for the purpose of further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2764, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.B. No. 2764, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Taxation,



CAROL FUKUNAGA, Chair



