
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 aggregate annual
2 amount of the ethanol facility tax credit is set by statute at
3 \$12,000,000. This amount is more than sufficient to encourage
4 ethanol production in the state.

5 The purpose of this Act is to reduce the aggregate annual
6 amount of ethanol facility tax credits from \$12,000,000 to
7 \$8,000,000 from July 1, 2011, through December 31, 2012.

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

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

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

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

15 (3) Total all qualifying and cumulative investments that
16 the department of business, economic development, and
17 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 from July 1, 2011,
22 through December 31, 2012, the annual amount of certified



1 credits allowed under this section shall not exceed \$8,000,000
2 in the aggregate and shall be prorated over a twelve-month year.
3 Notwithstanding any other law to the contrary, this information
4 shall be available for public inspection and dissemination under
5 chapter 92F."

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 Statutory material to be repealed is bracketed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

8 SECTION 4. This Act shall take effect upon its approval
9 and shall apply to taxable years beginning after December 31,
10 2010, and ending before January 1, 2013.



Report Title:

Taxation; Ethanol Facility Tax Credit

Description:

Caps the total annual amount of ethanol facility tax credits allowed at \$8,000,000 in the aggregate between 7/1/11 to 12/31/12. (HB1491 HD1)

