

STAND. COM. REP. NO.

1272

Honolulu, Hawaii

APR 09 2009

RE: H.B. No. 371  
H.D. 2  
S.D. 2

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 371, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to repeal the provision sunsetting the one cent per gallon tax on naphtha fuel sold for use in a power-generating facility.

Your Committee received five written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that Act 103, Session Laws of Hawaii 2007, taxed naphtha fuel sold for use in a power-generating facility at the same one cent per gallon license tax rate as diesel oil and aviation fuel, rather than at the higher county fuel tax rates. Your Committee also finds that Act 209, Session Laws of Hawaii 2007, increased the tax rate imposed on diesel oil and aviation fuel to two cents per gallon. Accordingly, your Committee finds that it would be consistent with the intent of Act 209 to also tax naphtha fuel sold for use in a power-generating facility at the rate of two cents per gallon.

Therefore your Committee has amended this measure by:



- (1) Increasing the naphtha fuel tax from one cent per gallon to two cents per gallon; and
- (2) Changing the effective date to July 1, 2090, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 371, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 371, H.D. 2, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

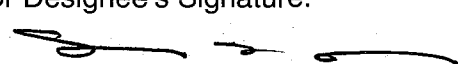


DONNA MERCADO KIM, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 371 HD2 SD	ENE, WAM	APRIL 3 2009		
<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
KIM, Donna Mercado (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani				/
FUKUNAGA, Carol	/			
GALUTERIA, Brickwood	/			
HEE, Clayton	/			
HOOSER, Gary L.	/			
KIDANI, Michelle N.	/			
KOKUBUN, Russell S.	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred				/
<b>TOTAL</b>	<b>10</b>			<b>2</b>
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes