

STAND. COM. REP. NO.

1663

Honolulu, Hawaii

August 19, 2009

RE: S.B. No. 512  
S.D. 2  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 512, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to change the ethanol facility tax credit to the biofuel facility tax credit.

This bill also changes the amount of the biofuel facility tax credit from 30 percent of the qualified biofuel facility's nameplate capacity to 40 cents per gallon produced if the nameplate capacity is greater than 500,000 gallons but less than 15,000,000 million gallons. This bill further requires that the nameplate capacity be determined by the facility owner and not exceed the amount of production actually recorded during a consecutive seven-day period multiplied by 52.

The United States Representative from the First District of Hawaii, The Chamber of Commerce of Hawaii, the Hawaii Science and Technology Council, and several concerned individuals supported this bill. The Department of Business, Economic Development, and Tourism, the Department of Taxation, the Tax Foundation of Hawaii, Hawaii BioEnergy, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, Pacific West Energy LLC, Pacific Biodiesel, and a concerned individual offered comments.

SB512 HD1 HSCR FIN HMS 2009-3582

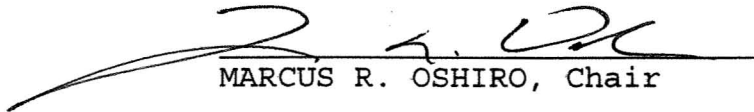


Your Committee has amended this bill by:

- (1) Capping the annual amount of certified credits allowed from July 1, 2011, through December 31, 2012, at \$8,000,000;
- (2) Changing the effective date to July 1, 2020; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 512, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 512, S.D. 2, H.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,

  
MARCUS R. OSHIRO, Chair



