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# A BILL FOR AN ACT

RELATING TO ENERGY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

**PART I**

**Renewable Transportation Fuels Production Facility Tax Credit**

SECTION 1. Section 235-110.3, Hawaii Revised Statutes, is amended to read as follows:

**"§235-110.3 ~~[Ethanol]~~ Renewable transportation fuels production facility tax credit.** (a) Each year during the credit period, there shall be allowed to each taxpayer subject to the taxes imposed by this chapter, ~~[an ethanol]~~ a renewable transportation fuels production facility tax credit that shall be applied to the taxpayer's net income tax liability, if any, imposed by this chapter for the taxable year in which the credit is properly claimed~~[-]~~; provided that the taxpayer shall not claim a credit under this section for more than five taxable years.

For each ~~[qualified ethanol]~~ qualifying renewable transportation fuels production facility, the annual dollar amount of the ~~[ethanol]~~ renewable transportation fuels facility tax credit during the ~~[eight-year]~~ five-year period shall be



1 equal to [~~thirty per cent of its nameplate capacity if the~~  
2 ~~nameplate capacity is greater than five hundred thousand but~~  
3 ~~less than fifteen million gallons.] 30 cents per one hundred  
4 fifteen thousand British thermal units of renewable  
5 transportation fuels using the lower heating value produced for  
6 distribution in Hawaii; provided that the production by the  
7 renewable transportation fuels production facility is not less  
8 than fifteen billion British thermal units of renewable  
9 transportation fuels per year; and provided further that the  
10 amount of tax credit claimed under this section by a taxpayer  
11 shall not exceed \$3,000,000 per taxable year. A taxpayer may  
12 claim this credit for each qualifying [~~ethanol~~] renewable  
13 transportation fuels production facility; provided that:~~

- 14 (1) The claim for this credit by any taxpayer of a
- 15 qualifying [~~ethanol~~] renewable transportation fuels
- 16 production facility shall not exceed one hundred per
- 17 cent of the total of all investments made by the
- 18 taxpayer in the qualifying [~~ethanol~~] renewable
- 19 transportation fuels production facility during the
- 20 credit period; and



1       ~~[(2) The qualifying ethanol production facility operated at~~  
2           ~~a level of production of at least seventy five per~~  
3           ~~cent of its nameplate capacity on an annualized basis;~~

4       ~~(3) The qualifying ethanol production facility is in~~  
5           ~~production on or before January 1, 2017; and~~

6       ~~(4)]~~ (2) No taxpayer that claims the credit under this  
7           section shall claim any other tax credit under this  
8           chapter for the same taxable year.

9       (b) As used in this section:

10       "Credit period" means a maximum period of ~~[eight]~~ five  
11       years beginning from the first taxable year in which the  
12       qualifying ~~[ethanol]~~ renewable transportation fuels production  
13       facility begins production ~~[even if actual production is not at~~  
14       ~~seventy five per cent of nameplate capacity.]~~ at a level of at  
15       least fifteen billion British thermal units of renewable  
16       transportation fuels per year.

17       "Investment" means a nonrefundable capital expenditure  
18       related to the development and construction of any qualifying  
19       ~~[ethanol]~~ renewable transportation fuels production facility,  
20       including processing equipment, waste treatment systems,  
21       pipelines, geothermal wells, and liquid storage tanks at the  
22       facility or remote locations, including expansions or



1 modifications. Capital expenditures shall be those direct and  
2 certain indirect costs determined in accordance with section  
3 263A of the Internal Revenue Code, relating to uniform  
4 capitalization costs, but shall not include expenses for  
5 compensation paid to officers of the taxpayer, pension and other  
6 related costs, rent for land, the costs of repairing and  
7 maintaining the equipment or facilities, training of operating  
8 personnel, utility costs during construction, property taxes,  
9 costs relating to negotiation of commercial agreements not  
10 related to development or construction, or service costs that  
11 can be identified specifically with a service department or  
12 function or that directly benefit or are incurred by reason of a  
13 service department or function. For the purposes of determining  
14 a capital expenditure under this section, the provisions of  
15 section 263A of the Internal Revenue Code shall apply as it read  
16 on March 1, 2004. For purposes of this section, investment  
17 excludes land costs and includes any investment for which the  
18 taxpayer is at risk, as that term is used in section 465 of the  
19 Internal Revenue Code (with respect to deductions limited to  
20 amount at risk).



1 ~~["Nameplate capacity" means the qualifying ethanol~~  
2 ~~production facility's production design capacity, in gallons of~~  
3 ~~motor fuel grade ethanol per year.]~~

4 "Net income tax liability" means net income tax liability  
5 reduced by all other credits allowed under this chapter.

6 "Qualifying ~~[ethanol]~~ renewable transportation fuel  
7 production" means ~~[ethanol produced from renewable, organic~~  
8 ~~feedstocks, or waste materials, including municipal solid waste.~~  
9 ~~All qualifying production shall be fermented, distilled,~~  
10 ~~gasified, or produced by physical chemical conversion methods~~  
11 ~~such as reformation and catalytic conversion and dehydrated at~~  
12 ~~the facility.] production of renewable transportation fuels from~~  
13 ~~renewable feedstocks produced from within the State; provided~~  
14 ~~that the renewable transportation fuel shall be sold in the~~  
15 ~~State.~~

16 "Qualifying ~~[ethanol]~~ renewable transportation fuels  
17 production facility" or "facility" means a facility located in  
18 Hawaii ~~[which]~~ that produces [motor] from renewable feedstocks  
19 fuel grade [ethanol meeting the minimum specifications by the  
20 American Society of Testing and Materials standard D 4806, as  
21 amended.] renewable transportation fuels meeting the relevant



1 ASTM International specifications for the particular fuel or  
2 other industry specifications for production of:

- 3       (1) Methanol, ethanol, or other alcohols;
- 4       (2) Hydrogen;
- 5       (3) Biodiesel or renewable diesel;
- 6       (4) Biofuels derived from biological materials, including  
7       algae; or
- 8       (5) Renewable jet fuel, renewable gasoline, or liquid or  
9       gaseous fuels.

10       (c) In the case of a taxable year in which the cumulative  
11 claims for the credit by the taxpayer of a qualifying [~~ethanol~~]  
12 renewable transportation fuels production facility exceeds the  
13 cumulative investment made in the qualifying [~~ethanol~~] renewable  
14 transportation fuels production facility by the taxpayer, only  
15 that portion that does not exceed the cumulative investment  
16 shall be claimed and allowed.

17       (d) The department of business, economic development, and  
18 tourism shall:

- 19       (1) Maintain records of the total amount of investment  
20       made by each taxpayer in a facility;



- 1           (2)   Verify the amount [~~of the qualifying investment,~~] and  
2                            type of renewable transportation fuels produced,  
3                            including the purpose for which the fuel was produced;
- 4           (3)   Total all qualifying [~~and cumulative investments]~~  
5                            renewable transportation fuel production that the  
6                            department of business, economic development, and  
7                            tourism certifies; and
- 8           (4)   Certify the total amount of the tax credit for each  
9                            taxable year and the cumulative amount of the tax  
10                           credit during the credit period.

11           Upon each determination, the department of business,  
12   economic development, and tourism shall issue a certificate to  
13   the taxpayer verifying the qualifying [~~investment amounts,~~]  
14   amounts of renewable transportation fuel production, the credit  
15   amount certified for each taxable year, and the cumulative  
16   amount of the tax credit during the credit period. The taxpayer  
17   shall file the certificate with the taxpayer's tax return with  
18   the department of taxation. Notwithstanding the department of  
19   business, economic development, and tourism's certification  
20   authority under this section, the director of taxation may audit  
21   and adjust certification to conform to the facts.

1           If in any year, the annual amount of certified credits  
2 reaches [~~\$12,000,000~~] \_\_\_\_\_ in the aggregate, the  
3 department of business, economic development, and tourism  
4 [~~shall~~] may immediately discontinue certifying credits and  
5 notify the department of taxation. [~~In no instance shall the~~  
6 ~~total amount of certified credits exceed \$12,000,000 per year.~~]  
7 Alternatively, the department of business, economic development,  
8 and tourism may increase the cap according to the level of  
9 demand of qualified renewable transportation fuel production;  
10 provided that the department shall report to the legislature on  
11 the rationale and justification of any such increase.

12 Notwithstanding any other law to the contrary, this information  
13 shall be available for public inspection and dissemination under  
14 chapter 92F.

15           (e) If the credit under this section exceeds the  
16 taxpayer's income tax liability, the excess of credit over  
17 liability shall be refunded to the taxpayer; provided that no  
18 refunds or payments on account of the tax credit allowed by this  
19 section shall be made for amounts less than \$1. All claims for  
20 a credit under this section must be properly filed on or before  
21 the end of the twelfth month following the close of the taxable  
22 year for which the credit may be claimed. Failure to comply





1 with the foregoing provision shall constitute a waiver of the  
2 right to claim the credit.

3 (f) If a qualifying [~~ethanol~~] renewable transportation  
4 fuels production facility or an interest therein is acquired by  
5 a taxpayer prior to the expiration of the credit period, the  
6 credit allowable under subsection (a) for any period after such  
7 acquisition shall be equal to the credit that would have been  
8 allowable under subsection (a) to the prior taxpayer had the  
9 taxpayer not disposed of the interest. If an interest is  
10 disposed of during any year for which the credit is allowable  
11 under subsection (a), the credit shall be allowable between the  
12 parties on the basis of the number of days during the year the  
13 interest was held by each taxpayer. In no case shall the credit  
14 allowed under subsection (a) be allowed after the expiration of  
15 the credit period.

16 [~~(g) Once the total nameplate capacities of qualifying~~  
17 ~~ethanol production facilities built within the State reaches or~~  
18 ~~exceeds a level of forty million gallons per year, credits under~~  
19 ~~this section shall not be allowed for new ethanol production~~  
20 ~~facilities. If a new facility's production capacity would cause~~  
21 ~~the statewide ethanol production capacity to exceed forty~~  
22 ~~million gallons per year, only the ethanol production capacity~~



1 ~~that does not exceed the statewide forty million gallon per year~~  
2 ~~level shall be eligible for the credit.~~

3       ~~(h)~~ (g) Prior to ~~[construction of]~~ production by any new  
4 qualifying ~~[ethanol]~~ renewable transportation fuels production  
5 facility, the taxpayer shall provide written notice of the  
6 taxpayer's intention to begin ~~[construction]~~ production of [a]  
7 qualifying ~~[ethanol production facility.]~~ renewable  
8 transportation fuels. The information shall be provided to the  
9 department of taxation and the department of business, economic  
10 development, and tourism on forms provided by the department of  
11 business, economic development, and tourism, and shall include  
12 information on the taxpayer, facility location, facility  
13 production capacity, anticipated production start date, and the  
14 taxpayer's contact information. Notwithstanding any other law  
15 to the contrary, this information shall be available for public  
16 inspection and dissemination under chapter 92F.

17       ~~(i)~~ (h) The taxpayer shall provide written notice to the  
18 director of taxation and the director of business, economic  
19 development, and tourism within thirty days following the start  
20 of production. The notice shall include the production start  
21 date and expected ~~[ethanol]~~ renewable fuel production for the  
22 next twenty-four months. Notwithstanding any other law to the



1 contrary, this information shall be available for public  
2 inspection and dissemination under chapter 92F.

3 ~~[(j) If a qualifying ethanol production facility fails to~~  
4 ~~achieve an average annual production of at least seventy five~~  
5 ~~per cent of its nameplate capacity for two consecutive years,~~  
6 ~~the stated capacity of that facility may be revised by the~~  
7 ~~director of business, economic development, and tourism to~~  
8 ~~reflect actual production for the purposes of determining~~  
9 ~~statewide production capacity under subsection (g) and allowable~~  
10 ~~credits for that facility under subsection (a). Notwithstanding~~  
11 ~~any other law to the contrary, this information shall be~~  
12 ~~available for public inspection and dissemination under chapter~~  
13 ~~92F.~~

14 ~~(k)]~~ (i) Each calendar year during the credit period, the  
15 taxpayer shall provide information to the director of business,  
16 economic development, and tourism on the number of ~~[gallons]~~  
17 British thermal units of ~~[ethanol]~~ renewable transportation  
18 fuels produced and sold during the previous calendar year, how  
19 much was sold in Hawaii versus overseas, feedstocks used for  
20 ~~[ethanol]~~ renewable fuel production, the number of employees of  
21 the facility, and the projected number of ~~[gallons]~~ British



1 thermal units of [~~ethanol~~] renewable fuel production for the  
2 succeeding year.

3 [~~(i)~~] (j) In the case of a partnership, S corporation,  
4 estate, or trust, the tax credit allowable is for every  
5 qualifying [~~ethanol~~] renewable transportation fuels production  
6 facility. The cost upon which the tax credit is computed shall  
7 be determined at the entity level. Distribution and share of  
8 credit shall be determined pursuant to section 235-110.7(a).

9 [~~(m)~~] (k) Following each year in which a credit under this  
10 section has been claimed, the director of business, economic  
11 development, and tourism shall submit a written report to the  
12 governor and legislature regarding the production and sale of  
13 [~~ethanol~~] renewable transportation fuels. The report shall  
14 include:

15 (1) The number, location, and nameplate capacities of  
16 qualifying [~~ethanol~~] renewable transportation fuels  
17 production facilities in the State;

18 (2) The total number of [~~gallons~~] British thermal units of  
19 [~~ethanol~~] renewable transportation fuels produced and  
20 sold during the previous year; and



1 (3) The projected number of [~~gallons~~] British thermal  
2 units of [~~ethanol~~] renewable transportation fuels  
3 production for the succeeding year.

4 [~~(a)~~] (1) The director of taxation shall prepare forms  
5 that may be necessary to claim a credit under this section.  
6 Notwithstanding the department of business, economic  
7 development, and tourism's certification authority under this  
8 section, the director may audit and adjust certification to  
9 conform to the facts. The director may also require the  
10 taxpayer to furnish information to ascertain the validity of the  
11 claim for credit made under this section and may adopt rules  
12 necessary to effectuate the purposes of this section pursuant to  
13 chapter 91."

14 **PART II**

15 SECTION 2. The purpose of this part is to:

16 (1) Encourage the development and construction of biofuel  
17 production facilities in Hawaii by creating an income  
18 tax credit for investments in the construction and  
19 development of biofuel production facilities in the  
20 State; and



1 (2) Clarify the circumstances under which an environmental  
2 assessment is required for an action proposing an oil  
3 refinery by adding a new definition of oil refinery.

4 SECTION 3. Chapter 235, Hawaii Revised Statutes, is  
5 amended by adding a new section to be appropriately designated  
6 and to read as follows:

7 **"§235- Biofuel production facility income tax credit.**

8 (a) There shall be allowed to each taxpayer subject to the  
9 taxes imposed by this chapter, a biofuel production facility  
10 income tax credit that shall be deducted from the taxpayer's net  
11 income tax liability, if any, imposed by this chapter for the  
12 taxable year in which the credit is properly claimed.

13 (b) The amount of the credit shall be equal to fifteen per  
14 cent of the qualified development and construction costs of a  
15 biofuel production facility. The credit allowed under this  
16 section shall be claimed against the net income tax liability  
17 for the taxable year in which the biofuel production facility is  
18 placed in service. Total tax credits claimed per qualified  
19 biofuel production facility shall not exceed \$60,000,000.

20 (c) As used in this section:

21 "Capital expenditures" means those certain direct and  
22 indirect costs determined in accordance with section 263A of the



1 Internal Revenue Code, relating to uniform capitalization costs,  
 2 but shall not include expenses for compensation paid to officers  
 3 of the taxpayer, pension and other related costs, rent for land,  
 4 the costs of repairing and maintaining the equipment or  
 5 facilities, training of operating personnel, property taxes,  
 6 costs relating to negotiation of commercial agreements not  
 7 related to development or construction, or service costs that  
 8 can be identified specifically with a service department or  
 9 function or that directly benefit or are incurred by reason of a  
 10 service department or function.

11 "Net income tax liability" means net income tax liability  
 12 reduced by all other credits allowed under this chapter.

13 "Qualified biofuel production facility" means a facility  
 14 that produces liquid or gaseous fuels from organic sources,  
 15 including biomass crops, agricultural residues, and oil crops,  
 16 including palm, canola, soybean, and waste cooking oils; grease;  
 17 food wastes; locally produced municipal solid wastes and  
 18 industrial wastes; and animal residues and wastes that can be  
 19 used to generate energy.

20 "Qualified development and construction costs" mean capital  
 21 expenditures related to the development and construction of any  
 22 qualified biofuel production facility, including costs for



1 agricultural infrastructure, design, processing equipment, waste  
2 treatment systems, pipelines, and liquid storage tanks at the  
3 facility or remote locations, including expansions or  
4 modifications, interest accrued during construction if the  
5 project is not capitalized and not expensed, and utility costs  
6 incurred during construction if the utility costs are  
7 capitalized and not expensed. For purposes of this section,  
8 investment excludes land costs and includes any investment for  
9 which the taxpayer is at risk, as that term is used in section  
10 465 of the Internal Revenue Code (with respect to deductions  
11 limited to amount at risk).

12 (d) Qualified biofuel production facilities shall comply  
13 with this section. To qualify for this credit, the biofuel  
14 production facility shall:

- 15 (1) Be located within the State;
- 16 (2) Meet the definition of a qualified biofuel production  
17 facility;
- 18 (3) Have a biofuel production capacity of no less than  
19 five million gallons;
- 20 (4) Have qualified development and construction costs  
21 totaling at least \$10,000,000; and
- 22 (5) Be in production on or before January 1, 2017.





1       (e) To receive the tax credit, the taxpayer shall first  
2 prequalify a biofuel production facility for the credit by  
3 registering with the department of business, economic  
4 development, and tourism during the development or construction  
5 stage. Failure to comply with this provision may constitute a  
6 waiver of the right to claim the credit.

7       (f) Every taxpayer claiming a tax credit under this  
8 section for a qualified biofuel production facility, no later  
9 than ninety days following the end of the taxable year in which  
10 the biofuel production facility is placed in service, shall  
11 submit a written, sworn statement to the department of business,  
12 economic development, and tourism, identifying:

13       (1) All qualified development and construction costs as  
14 defined in subsection (c), if any, incurred; and

15       (2) The number of hires related to the development or  
16 construction of the qualified biofuel production  
17 facility in the taxable year.

18       (g) If the tax credit under this section exceeds the  
19 taxpayer's income tax liability, the excess of the credit over  
20 liability shall be refunded to the taxpayer; provided that no  
21 refunds or payments on account of the tax credit allowed by this  
22 section shall be made for amounts less than \$1. All claims,



1 including any amended claims, for tax credits under this section  
2 shall be filed on or before the end of the twelfth month  
3 following the close of the taxable year for which the credit may  
4 be claimed. Failure to properly claim the credit shall  
5 constitute a waiver of the right to claim the credit.

6 (h) A recipient of tax credits under this section shall  
7 refund to the State the entire amount of the cumulative credits  
8 earned and claimed, in one payment, in the tenth taxable year  
9 after the recipient obtains the final tax credit.

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

12 (1) Maintain records of the names of the taxpayers and  
13 qualified biofuel production facilities claiming the  
14 tax credit under this section;

15 (2) Obtain and total the aggregate amounts of all  
16 qualified development and construction costs for each  
17 qualified biofuel production facility for each taxable  
18 year; and

19 (3) Provide a letter to the director of taxation  
20 specifying the amount of the tax credit for each  
21 qualified biofuel production facility for each taxable



1           year that a tax credit is claimed and the cumulative  
2           amount of the tax credit for all years claimed.

3           Upon each determination required under this subsection, the  
4           department of business, economic development, and tourism shall  
5           issue a letter to the taxpayer specifying the qualified  
6           development and construction costs and the tax credit amount  
7           qualified for in each taxable year a tax credit is claimed. The  
8           taxpayer for each qualified biofuel production facility shall  
9           file the letter with the taxpayer's tax return for the qualified  
10          biofuel production facility to the department of taxation.  
11          Notwithstanding the authority of the department of business,  
12          economic development, and tourism under this section, the  
13          director of taxation may audit and adjust the tax credit amount  
14          to conform to the information filed by the taxpayer.

15          (j) If a deduction is taken under section 179 (with  
16          respect to election to expense depreciable business assets) of  
17          the Internal Revenue Code, no tax credit shall be allowed for  
18          those costs for which the deduction is taken.

19          The basis for eligible property for depreciation of  
20          accelerated cost recovery system purposes for state income taxes  
21          shall be reduced by the amount of credit allowable and claimed.



1        No taxpayer that claims the costs allowable for the credit  
2 under this section shall claim those same costs toward any other  
3 tax credit under this chapter.

4        (k) In the case of a partnership, S corporation, estate,  
5 or trust, the tax credit allowable shall be for qualified  
6 development and production costs incurred by the entity for the  
7 taxable year. The cost upon which the tax credit is computed  
8 shall be determined at the entity level. Distribution and share  
9 of the tax credit shall be determined under section 704(b) (with  
10 respect to a partner's distributive share) of the Internal  
11 Revenue Code.

12        (l) The director of taxation shall prepare forms as may be  
13 necessary to claim a credit under this section. The director  
14 may require the taxpayer to furnish information to ascertain the  
15 validity of the claim for credit made under this section and may  
16 adopt rules necessary to implement this section pursuant to  
17 chapter 91."

18        SECTION 4. Section 343-2, Hawaii Revised Statutes, is  
19 amended by adding a new definition to be appropriately inserted  
20 and to read as follows:

21        "Oil refinery" means:



- 1        (1) A new facility that processes fossil fuels into
- 2                refined products; or
- 3        (2) The expansion of an existing fossil fuel refinery."

4        SECTION 5. Section 343-5, Hawaii Revised Statutes, is  
 5 amended by amending subsection (a) to read as follows:

6                "(a) Except as otherwise provided, an environmental  
 7 assessment shall be required for actions that:

8                (1) Propose the use of state or county lands or the use of  
 9 state or county funds, other than funds to be used for  
 10 feasibility or planning studies for possible future  
 11 programs or projects that the agency has not approved,  
 12 adopted, or funded, or funds to be used for the  
 13 acquisition of unimproved real property; provided that  
 14 the agency shall consider environmental factors and  
 15 available alternatives in its feasibility or planning  
 16 studies; provided further that an environmental  
 17 assessment for proposed uses under section  
 18 205-2(d)(11) or 205-4.5(a)(13) shall only be required  
 19 pursuant to section 205-5(b);

20                (2) Propose any use within any land classified as a  
 21 conservation district by the state land use commission  
 22 under chapter 205;



- 1           (3) Propose any use within a shoreline area as defined in  
2           section 205A-41;
- 3           (4) Propose any use within any historic site as designated  
4           in the National Register or Hawaii Register, as  
5           provided for in the Historic Preservation Act of 1966,  
6           Public Law 89-665, or chapter 6E;
- 7           (5) Propose any use within the Waikiki area of Oahu, the  
8           boundaries of which are delineated in the land use  
9           ordinance as amended, establishing the "Waikiki  
10          Special District";
- 11          (6) Propose any amendments to existing county general  
12          plans where the amendment would result in designations  
13          other than agriculture, conservation, or preservation,  
14          except actions proposing any new county general plan  
15          or amendments to any existing county general plan  
16          initiated by a county;
- 17          (7) Propose any reclassification of any land classified as  
18          a conservation district by the state land use  
19          commission under chapter 205;
- 20          (8) Propose the construction of new or the expansion or  
21          modification of existing helicopter facilities within



- 1 the State, that by way of their activities, may
- 2 affect:
- 3 (A) Any land classified as a conservation district by
- 4 the state land use commission under chapter 205;
- 5 (B) A shoreline area as defined in section 205A-41;
- 6 or
- 7 (C) Any historic site as designated in the National
- 8 Register or Hawaii Register, as provided for in
- 9 the Historic Preservation Act of 1966, Public Law
- 10 89-665, or chapter 6E; or until the statewide
- 11 historic places inventory is completed, any
- 12 historic site that is found by a field
- 13 reconnaissance of the area affected by the
- 14 helicopter facility and is under consideration
- 15 for placement on the National Register or the
- 16 Hawaii Register of Historic Places; and
- 17 (9) Propose any:
  - 18 (A) Wastewater treatment unit, except an individual
  - 19 wastewater system or a wastewater treatment unit
  - 20 serving fewer than fifty single-family dwellings
  - 21 or the equivalent;
  - 22 (B) Waste-to-energy facility;



- 1 (C) Landfill;
- 2 (D) Oil refinery[+], as defined in section 343-2; or
- 3 (E) Power-generating facility."

**PART III**

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

7 SECTION 7. This Act shall take effect upon its approval;  
8 provided that:

9 (1) Section 1 of this Act shall apply to taxable years  
10 beginning after December 31, 2012; and

11 (2) Section 3 of this Act shall:

12 (A) Apply to taxable years beginning after  
13 December 31, 2011;

14 (B) Apply to qualified development and construction  
15 costs of qualified biofuel production facilities  
16 incurred on or after July 1, 2011, and before  
17 January 1, 2017; and

18 (C) Be repealed on January 1, 2029.





**Report Title:**

Renewable Transportation Fuels; Biofuel Production Facility; Tax Credit; Environmental Impact Statement

**Description:**

Amends the ethanol facility income tax credit to apply to various types of renewable transportation fuel, with production and minimum required capacity to be measured in British thermal units. Increases maximum available amount of tax credit available to an individual facility to \$3,000,000. Decreases minimum production required to claim the tax credit. Applies to taxable years beginning after December 31, 2012. Creates an income tax credit for development and construction costs for qualifying biofuel production facilities. Repeals 1/1/2029. Defines "oil refinery". Clarifies that an environmental assessment is required for an action proposing the expansion of an existing oil refinery. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

