

Honolulu, Hawaii

March 2, 2012

RE: H.B. No. 2740
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2740 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to maintain the reduced cost of electricity generation fueled by naphtha by making permanent the temporary reduction of the fuel tax on naphtha used in a power-generating facility.

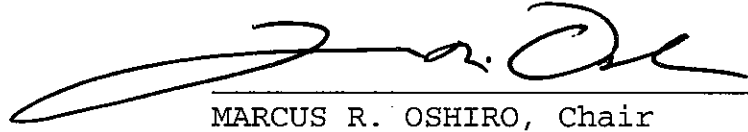
The Public Utilities Commission and Kauai Island Utility Cooperative supported this measure. The Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this measure by extending the sunset date to December 31, 2015, rather than repealing the sunset date.

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 H.B. No. 2740, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2740, H.D. 1.



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



MARCUS R. OSHIRO, Chair



