

Honolulu, Hawaii

MAR 02 2012

RE: S.B. No. 2666  
S.D. 2

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2666, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose and intent of this measure is to encourage biofuel production in the State.

Specifically, the measure:

- (1) Encourages the development and construction of biofuel production facilities in Hawaii by creating an income tax credit for investments in the construction and development of biofuel production facilities in the State;
- (2) Requires a recipient of the biofuel production facility income tax credit to repay the full amount of any tax credit earned and claimed in one payment, to be made within the tenth taxable year after the recipient receives the final biofuel production facility income tax credit; and
- (3) Clarifies the circumstances under which an environmental assessment is required for an action proposing an oil refinery, by adding a new definition of oil refinery.



Your Committee received written comments on this measure from the Department of Business, Economic Development, and Tourism; and Tax Foundation of Hawaii.

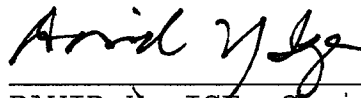
Your Committee finds that the long-term benefits of a locally situated biofuel production facility are worth the short-term costs associated with the development and construction of such a facility.

Your Committee has amended this measure by:

- (1) Providing a separate definition for the term "capital expenditures"; and
- (2) Making technical nonsubstantive amendments for the purposes of style, clarity, and consistency.

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 S.B. No. 2666, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2666, S.D. 2.

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



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DAVID Y. IGE, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

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

Bill / Resolution No.:* <i>SB 2666, SD 1</i>	Committee Referral: <i>ENE/EDT, WAM</i>	Date: <i>2/28/12</i>		
<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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
FUKUNAGA, Carol	✓			
KIM, Donna Mercado	✓			
KAHELE, Gilbert	✓			
KOUCHI, Ronald D.	✓			
RYAN, Pohai	✓			
TOKUDA, Jill N.	✓			
WAKAI, Glenn	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
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\*Only one measure per Record of Votes