

Honolulu, Hawaii

April 29, 2016

RE: H.B. No. 1689  
H.D. 2  
S.D. 2  
C.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 1689, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to foster greater energy security for Hawaii.

Specifically, this measure:

- (1) Amends the existing ethanol facility income tax credit to include facilities that produce other renewable fuels;
- (2) Clarifies that one gallon of renewable fuels shall be equal to 76,330 British thermal units; and



- (3) Provides that a renewable fuels production facility must be in production on or before January 1, 2020, to qualify for the tax credit.

Your Committee on Conference finds that providing additional support to Hawaii's agriculture industry could help to reduce reliance on agricultural imports and to foster job growth in the State. Your Committee on Conference believes that reducing the burden on the emerging number of small farmers seeking costly, but necessary, certifications and inspections will help to promote the production of locally-grown food.


Your Committee on Conference has amended this measure by deleting its contents and inserting provisions to establish a temporary, nonrefundable organic foods production income tax credit to offset the costs incurred by qualified taxpayers in obtaining organic certification and producing organically produced agricultural products.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1689, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1689, H.D. 2, S.D. 2, C.D. 1.


Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE

  
LORRAINE R. INOUE, Chair

  
CHRIS LEE, Co-Chair

  
JILL N. TOKUDA, Co-Chair

  
SYLVIA LUKE, Co-Chair



Record of Votes of a  
Conference Committee

Bill / Concurrent Resolution No.: <b>HB 1689, HD 2, SD 2</b>	Date/Time: <b>4/27/16 4:00 PM</b>
---	--------------------------------------

The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure

The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.


Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
INOUE, Lorraine R., Chr.	✓				LEE, Chris, Co-Chr.	✓			
TOKUDA, Jill N., Co-Chr.	✓				LUKE, Sylvia, Co-Chr.	✓			
SLOM, Sam				✓	CULLEN, Ty J.K.	✓			
					POUHA, Feki	✓			
<b>TOTAL</b>	<b>2</b>			<b>1</b>	<b>TOTAL</b>	<b>4</b>			

A = Aye      WR = Aye with Reservations      N = Nay      E = Excused

Senate Recommendation is:  
 Adopted       Not Adopted

House Recommendation is:  
 Adopted       Not Adopted

Senate Lead Chair's or Designee's Signature:  


House Lead Chair's or Designee's Signature:  


Distribution:      **Original**      **Yellow**      **Pink**      **Goldenrod**  
 File with Conference Committee Report      House Clerk's Office      Senate Clerk's Office      Drafting Agency