

Honolulu, Hawaii

February 19, 2016

RE: H.B. No. 1689
H.D. 1

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

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1689 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to incentivize the needed development, construction, and operation of renewable fuel facilities by changing the existing ethanol facility tax credit to include other renewable fuels.

The Blue Planet Foundation, Renewable Energy Action Coalition of Hawaii, Hawaii Energy Policy Forum, Life of the Land, and a concerned individual supported this measure. The Department of Taxation; Department of Business, Economic Development, and Tourism; and Tax Foundation of Hawaii offered comments.

Your Committee has amended this measure by adding a definition of "qualifying renewable fuel".

Should the Committee on Finance further deliberate on this measure, your Committee respectfully requests that the Attorney General look at the constitutionality of the proposed definition of "qualifying renewable fuel".



As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1689, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1689, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



CHRIS LEE, Chair



