STAND. COM. REP. NO. 502-16

Honolulu, Hawaii , 2016

RE: H.B. No. 2728 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. 2728 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to reestablish the reduced tax rate of 2 cents per gallon for naptha fuel used in power generation facilities, retroactive to January 1, 2016.

This measure also defines "power-generating facility" to mean an electric generating-facility that requires a permit under the Federal Clean Air Act or Hawaii Air Pollution Control Law.

Kauai Island Utility Cooperative testified in support of this measure. The Department of Transportation testified in support of the intent of this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by:

- (1) Inserting a sunset date of January 1, 2020; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

HB2728 HD1 HSCR EEP HMS 2016-1922

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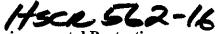
As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2728, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2728, 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



State of Hawaii House of Representatives The Twenty-eighth Legislature



Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: HR 2728	Committee Referral: EEP,F	Date:	21911	6
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit) 				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)				
2. LOWEN, Nicole E. (VC)				
3. CULLEN, Ty J.K.				
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4. EVANS, Cindy				
5. ING, Kaniela		· · · · · · · · · · · · · · · · · · ·		
6. NISHIMOTO, Scott Y.				
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7. SAY, Calvin K.Y.				
8. YAMANE, Ryan I.				
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9. POUHA, Feki				
10. THIELEN, Cynthia				
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TOTAL (10)	10	Þ	6	Ø
The recommendation is: Image: Adopted did not support recommendation. If joint referral,				
committee acronym(s)				
Vice Chair's or designee's signature: Michel C. Fowen				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				