

Honolulu, Hawaii  
February 19, 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 naphtha 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.



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

HSCA 562-16

**Record of Votes of the Committee on Energy & Environmental Protection**

Bill/Resolution No.: <b>HB 2728</b>	Committee Referral: <b>EEP, FIN</b>	Date: <b>2/9/16</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> 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.	/			
4. EVANS, Cindy	/			
5. ING, Kaniela	/			
6. NISHIMOTO, Scott Y.	/			
7. SAY, Calvin K.Y.	/			
8. YAMANE, Ryan I.	/			
9. POUHA, Feki	/			
10. THIELEN, Cynthia	/			
<b>TOTAL (10)</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u>Nicole E. Lowen</u>				
Distribution: Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				