

STAND. COM. REP. NO.

1124

Honolulu, Hawaii

March 27, 2015

RE: S.B. No. 1150  
S.D. 1  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 1150, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to maintain the viability of naphtha as fuel for power-generating facilities by making permanent the per-gallon tax on naphtha sold for use in a power-generating facility to produce electricity.

Kauai Island Utility Cooperative supported the measure. A concerned individual testified in opposition. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee has amended the measure by:

- (1) Extending the sunset provision on the per-gallon tax on naphtha sold for use in a power-generating facility to produce electricity for an additional three years rather than making the tax permanent; 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 S.B. No. 1150, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1150, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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



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CHRIS LEE, Chair



