

STAND. COM. REP. NO. 1679

Honolulu, Hawaii

April 10, 2015

RE: S.B. No. 1150
S.D. 1
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 1150, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to help reduce dependency on imported fossil fuels and maintain the viability of naphtha as fuel for power generating facilities to produce electricity by extending the sunset provision on the per-gallon tax on naphtha sold for use in a power-generating facility for an additional three years.

The Kauai Island Utility Cooperative supported this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by:


- (1) Leaving unspecified, the sunset date of the per-gallon tax on naphtha for purposes of facilitating further discussion;
- (2) Changing its effective date to July 1, 2030, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

SB1150 HD2 HSCR FIN HMS 2015-3246-1



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1150, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1150, S.D. 1, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



