

STAND. COM. REP. NO.

273

Honolulu, Hawaii

FEB 13 2019

RE: S.B. No. 438
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred S.B. No. 438 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to provide an income tax credit to taxpayers who install or operate an electric vehicle charging system that is available for use by the public.

Your Committee received testimony in support of this measure from the Big Island Electric Vehicle Association, Hawaiian Electric Company Inc., Hawaii Automobile Dealers' Association, Alliance of Automobile Manufacturers, Ulupono Initiative, O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, and four individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that ground transportation in Hawaii utilizes more than a quarter of the State's imported petroleum. Transitioning to electric vehicles will significantly reduce the State's dependence on imported fossil fuels, keeping millions of dollars in the State. Your Committee further finds that converting from petroleum-based vehicles to electric vehicles immediately reduces greenhouse gas emission, helping to combat climate change and its impact on Hawaii. Your Committee also



finds that electric vehicles are a key factor in addressing Hawaii's pressing climate issues and can help accelerate the State's goal of one hundred percent renewable energy, while also contributing to the Paris Agreement commitments and carbon neutral goal. This measure would incentivize the installation of electric vehicle charging stations around the State, thereby attracting more residents to purchase electric vehicles.

Your Committee has amended this measure by:

- (1) Establishing a tiered income tax credit for the installation or upgrade of an electric vehicle charging system;
- (2) Establishing caps for the allowable tax credit per taxpayer; and
- (3) Establishing a cap of \$3,000,000 for the total amount of tax credit allowed in any taxable year.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 438, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 438, S.D. 1, and be referred to your Committee on Ways and Means.

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


LORRAINE R. INOUE, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Transportation
TRS

Bill / Resolution No.:* <i>SB 438</i>	Committee Referral: <i>TRS, WAM</i>	Date: <i>2/6/19</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
INOUYE, Lorraine R. (C)	✓			
HARIMOTO, Breene (VC)	✓			
ENGLISH, J. Kalani	✓			
SHIMABUKURO, Maile S.L.	✓			
FEVELLA, Kurt	✓			
TOTAL	5			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Breene Harimoto</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes