

STAND. COM. REP. NO.

960

Honolulu, Hawaii

MAR 01 2019

RE: S.B. No. 438
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 438, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

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

Your Committee received written comments in support of this measure from the Alliance of Automobile Manufacturers; Blue Planet Foundation; Hawaiian Electric Company, Inc.; Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii; Tesla; Ulupono Initiative; and five individuals.

Your Committee received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that this measure is intended to incentivize the development of electric vehicle charging infrastructure in the State.



Your Committee has amended this measure by:

- (1) Clarifying that a taxpayer may claim the tax credit for costs incurred in upgrading, rather than operating, an electric vehicle charging system;
- (2) Deleting a redundant provision regarding the effective date of the measure;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure;
- (4) Clarifying the aggregate cap amount of the tax credit; and
- (5) Making technical nonsubstantive amendments for purposes of consistency, clarity, and style.

Your Committee notes the following concerns regarding the measure:

- (1) The measure uses the term "credit period." However, the measure does not define this term or explain how the tax credit is intended to be allocated during each year of the credit period;
- (2) The measure uses the terms "level two charging system" and "level three charging system." However, the measure does not define these terms, nor does it provide guidance as to which entity or entities are responsible for establishing standards and criteria for these systems; and
- (3) The measure allows a taxpayer to claim a tax credit for the "upgrade of an electric vehicle charging system[.]" However, the measure does not define "upgrade." As a result, it is unclear what would constitute an upgrade to the "level two charging system" and "level three charging system" referred to in subparagraphs (b) (2) (A) and (b) (2) (B) of the statute established by the measure.

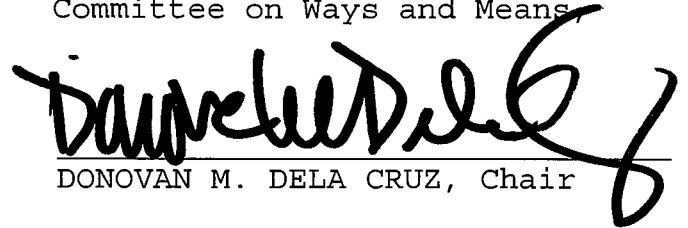
As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your



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Committee is in accord with the intent and purpose of S.B. No. 438, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 438, S.D. 2.

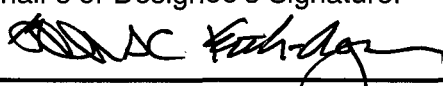
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 438, SDI	Committee Referral: TRS, WAM	Date: 2/25/19		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
HARIMOTO, Breene				X
INOUYE, Lorraine R.				X
KAHELE, Kaiali'i	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.				X
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.	X			
FEVELLA, Kurt	X			
TOTAL	10			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes