

STAND. COM. REP. NO.

3309

Honolulu, Hawaii

MAR 22 2022

RE: H.B. No. 1809
H.D. 3
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism,
to which was referred H.B. No. 1809, H.D. 3, 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 a
renewable fuels production tax credit.

Your Committee received testimony in support of this measure
from the Hawaii State Energy Office; Pacific Biodiesel
Technologies, LLC; Hawai'i Gas; Par Hawaii; Hawaii Clean Power
Alliance; Climate Protectors Hawai'i; 350Hawaii.org; Environmental
Caucus of the Democratic Party of Hawai'i; and eight individuals.
Your Committee received testimony in opposition to this measure
from two individuals. Your Committee received comments on this
measure from the Department of Taxation, Department of Budget and
Finance, Tax Foundation of Hawaii, and Pet Food Institute.

Your Committee finds that it is critical to achieve greater
energy security for the State. Your Committee further finds that
the renewable fuels production tax credit established through Act
202, Session Laws of Hawaii 2016, was repealed on December 31,
2021. Your Committee believes that reestablishing a renewable
fuels production tax credit will increase the production of
renewable fuels, which, in turn, facilitates the development and



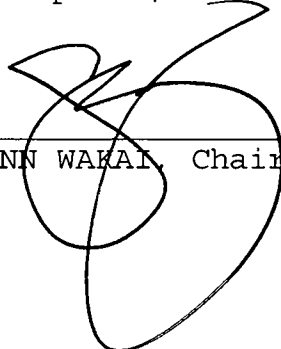
integration of renewable energy systems, diversifies energy technology, enhances energy resiliency, and furthers the realization of Hawaii's renewable energy goals.

Your Committee has amended this measure by:

- (1) Inserting language that allows the tax credit to be taken upfront at a seventy percent reduced rate;
- (2) Amends the requirement for the Hawaii State Energy Office to certify that the renewable fuels produced have life cycle emissions substantially below that of fossil fuels from annually to every five years;
- (3) Inserting language that protects the confidential data within the verification and certification information, taxpayer and facility information, and renewable fuels production information submitted;
- (4) Adding wastewater to the list of renewable feedstocks;
- (5) Adding bioenergy to the definition of renewable fuels; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1809, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1809, H.D. 3, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy, Economic
Development, and Tourism,



GLENN WAKAI, Chair



