

Honolulu, Hawaii
FEB 07 , 2022

RE: H.B. No. 2002
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred
H.B. No. 2002 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to reinstate the renewable
fuels production tax credit.

Your Committee received testimony in support of this measure
from the Hawaii State Energy Office, Hawaii Clean Power Alliance,
Hawai'i Gas, and Pacific Biodiesel Technologies. Your Committee
received comments on this measure from the Department of Taxation,
Department of Budget and Finance, Pet Food Institute, and Tax
Foundation of Hawaii.

Your Committee finds that renewable fuels provide lower-cost
alternative fuels for residential, commercial, and industrial
customers. Your Committee further finds that to support the use
of renewable fuels, Act 202, Session Laws of Hawaii 2016, was
enacted to establish a renewable fuels production tax credit;
however, this tax credit has since been repealed. Your Committee
believes that the importance of producing renewable fuel merits
reinstating the renewable fuels production tax credit.

Your Committee has amended this measure by:

2022-0985 HB2002 HD1 HSCR HMSO



- (1) Specifying that each taxpayer, including all of its related entities and business entities under common control, shall not be eligible for more than a single five-year credit period;
- (2) Including wastewater as a renewable feedstock;
- (3) Inserting a sunset date of December 31, 2031; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2002, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2002, H.D. 1, and be referred to your Committee on Energy & Environmental Protection.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development,



SEAN QUINLAN, Chair



