Honolulu, Hawaii
FFR 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, Hawaii 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Hawaii 2016, was enacted to establish a renewable fuels production tax credit; however, this tax credit has since been repealed.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:

- (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

## State of Hawaii House of Representatives The Thirty-first Legislature

HSCR34-22

## **Record of Votes of the Committee on Economic Development**

Bill/Resolution No.:	Committee Referral:	Date:		
HB 2002	ECD, E	EP, FIN	2/2/22	•
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold				
☐ Pass short form bill with HD to recommit for future public hearing (recommit)				
ECD Members	Awas	Ayes (WR)	Nays	Excused
	Ayes	Ayes (WK)	Nays	Excuseu
1. QUINLAN, Sean (C)				
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2. HOLT, Daniel (VC)	J			
3. BELATTI, Della Au				<b>✓</b>
4 VORAVASHI D.I. T	and the country of th			
4. KOBAYASHI, Dale T.		4		
5 ONISHI Dishard H.V.				
5. ONISHI, Richard H.K.	<b>y</b>			
6. SAYAMA, Jackson D.				
Was a series of the series of				
7. TAKAYAMA, Gregg				
8. OKIMOTO, Val			e dan manifestimanan mpini as jej kao je	garan in 1991 (Calaba See aankee aanta a See Anta a See Calab
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TOTAL (8)	<u> </u>	〇包	Ø\^	
The recommendation is: Adopted   Not Adopted				
If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
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