

Honolulu, Hawaii

APR 29 2022

RE: S.B. No. 2478
S.D. 2
H.D. 2
C.D. 1

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

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

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2478, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to establish a renewable fuels production tax credit.

Your Committee on Conference finds that the renewable fuels production tax credit established by Act 202, Session Laws of Hawaii 2016, was repealed on December 31, 2021. Your Committee on Conference further finds that reinstating a renewable fuels production tax credit will help the State achieve greater energy security.



Your Committee on Conference has amended this measure by reverting its contents to the S.D. 2 version and further amending it by:

- (1) Setting the annual dollar amount of the renewable fuels production tax credit during the ten-year credit period equal to 20 cents per seventy-six thousand British thermal units of renewable fuels using the lower heating value sold for distribution in Hawaii;
- (2) Capping the tax credit claimed by a taxpayer under this section at \$3,500,000 per taxable year;
- (3) Capping the total amount of renewable fuels production tax credits claimed by all eligible taxpayers at \$20,000,000 in any calendar year;
- (4) Requiring the tax credit only be claimed for fuels with lifecycle emissions below that of fossil fuels;
- (5) Requiring taxpayers claiming the tax credit to provide a statement of information including the lifecycle greenhouse gas emissions per British thermal units for each type of qualified fuel produced no later than thirty days following the close of the calendar year;
- (6) Requiring the Hawaii State Energy Office to provide taxpayers with a determination of whether the lifecycle greenhouse gas emissions for each type of qualified fuel produced is lower than that of fossil fuels within thirty calendar days after the due date of the taxpayer's statement;
- (7) Streamlining the purpose section;
- (8) Making it effective upon its approval; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2478, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2478, S.D. 2, H.D. 2, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



NICOLE E. LOWEN
Co-Chair



GLENN WAKAI
Chair



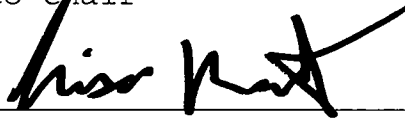
SEAN QUINLAN
Co-Chair



MICHELLE N. KIDANI
Co-Chair



LISA KITAGAWA
Co-Chair



LISA MARTEN
Co-Chair



Hawai'i State Legislature

CR 131-22

Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 2478, SD 2, HD 2	Date/Time: 4/29/22 10:20 am
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
WAKAI, Glenn, Chr.	✓	✓			LOWEN, Nicole E., Co-Chr.	✓	✓		
KIDANI, Michelle N., Co-Chr.	✓	✓			QUINLAN, Sean, Co-Chr.	✓	✓		
MISALUCHA, Bennette E.	✓	✓			KITAGAWA, Lisa, Co-Chr.	✓	✓		
FEVELLA, Kurt	✓	✓			MARTEN, Lisa, Co-Chr.	✓	✓		
					TAM, Adrian K.	✓	✓		
					MATSUMOTO, Lauren	✓	✓		
TOTAL	4000				TOTAL	6000			

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
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