

STAND. COM. REP. NO. 1416-22

Honolulu, Hawaii

MAR 24 , 2022

RE: S.B. No. 2478
S.D. 2
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 Consumer Protection & Commerce, to which was referred S.B. No. 2478, S.D. 2, H.D. 1, 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, with certain modifications.

Your Committee received testimony in support of this measure from the Hawaii State Energy Office, Hawai'i Farm Bureau, Hawai'i Gas, Par Hawaii, Hawaii Clean Power Alliance, and numerous individuals. Your Committee received testimony in opposition to this measure from the Civil Beat Law Center for the Public Interest, 350Hawaii.org, Pet Food Institute, and three individuals. Your Committee received comments on this measure from the Department of Budget and Finance, Department of Taxation, Tax Foundation of Hawaii, and Climate Protectors Hawai'i.

Your Committee finds that renewable fuels provide lower-cost alternative fuels for residential, commercial, and industrial customers. Act 202, Session Laws of Hawaii 2016, established a renewable fuels production tax credit to achieve greater energy security for the State and promote the production of locally grown feedstock; however, the tax credit expired on December 31, 2021.

2022-2473 SB2478 HD1 HSCR HMSO



Your Committee recognizes the continuing importance of producing fuel from renewable feedstocks and therefore finds that reinstating the renewable fuels production tax credit will again provide a financial incentive for the production of renewable fuels while also supporting Hawaii's agricultural industry.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2478, S.D. 2, H.D. 1, and recommends that it be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



AARON LING JOHANSON, Chair



