

STAND. COM. REP. NO. 448 -08

Honolulu, Hawaii
Feb 14, 2008

RE: H.B. No. 2922

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 2922 entitled:

"A BILL FOR AN ACT RELATING TO FUEL TAX,"

begs leave to report as follows:

The purpose of this bill is to lower the fuel tax for diesel oil sold for use in a power-generating facility to a tax rate of one cent per gallon instead of two cents per gallon.

The Kauai Island Utility Cooperative testified in support of this bill. The Department of Transportation opposed this measure. The Department of Taxation offered comments.

Your Committee notes that the fuel tax increase has had a detrimental effect on Kauai ratepayers. As a regulated cooperative, ratepayers are shareholders of the cooperative and would benefit from a lower fuel tax. Your Committee understands that the cost savings resulting from the decrease will be passed on to the ratepayers.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2922 and recommends that it be referred to the Committee on Finance.

HB2922 HSCR EEP HMS 2008-1967



Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,

Hermina Morita

HERMINA MORITA, Chair



