

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii
Sir:

Your Committees on Energy & Environmental Protection and Transportation, to which was referred H.B. No. 2462 entitled:

"A BILL FOR AN ACT RELATING TO ELECTRIC VEHICLES,"

beg leave to report as follows:

The purpose of this measure is to require the Public Utilities Commission to establish an Electric Vehicle Rebate Program (Program) to award rebates for the purchase of new vehicles and allocate a portion of the barrel tax to a newly established Electric Vehicle Rebate Special Fund to fund the Program.

Your Committees received testimony in support of this measure from the Hawaii State Energy Office, Hawaii Climate Change Mitigation and Adaptation Commission, Life of the Land, Imua Alliance, Hawaii Electric Vehicle Association, Big Island Electric Vehicle Association, Hawaiian Electric, Ulupono Initiative, Blue Planet, 350Hawaii, and two individuals. Your Committees received comments on this measure from the Department of Budget and Finance, Department of Accounting and General Services, Department of Taxation, Public Utilities Commission, and Tesla.

Your Committees find that it is important to continue to incentivize the purchase of new electric vehicles, and that a viable incentive is a tax credit.

Your Committees have amended this measure by:

(1) Deleting the language that would have established an Electric Vehicle Rebate Program, including a funding mechanism, and inserting language to establish a refundable electric vehicle tax credit:

- (A) Of up to \$2,500 per new electric vehicle with a cost of up to \$50,000;
- (B) That is available only for qualified taxpayers with an adjusted gross income below an unspecified income threshold;
- (C) With a total aggregate amount capped at an unspecified amount for each taxable year; and
- (D) That applies to taxable years beginning after December 31, 2020, and ending before January 1, 2029;

(2) Changing its effective date to July 1, 2050, to encourage further discussion; and

(3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2462, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2462, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on behalf of the members of the Committees on
Energy & Environmental Protection and Transportation,

HENRY J.C. AQUINO, Chair

NICOLE E. LOWEN, Chair