
A BILL FOR AN ACT

RELATING TO TAXATION OF LOW EMISSION AND ENERGY-EFFICIENT
VEHICLES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 237, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§237-A Exemption of sale of low emission and energy-
5 efficient vehicles. (a) There shall be exempted from and
6 excluded from the measure of taxes imposed by this chapter all
7 of the gross proceeds arising from the sale of low emission and
8 energy-efficient vehicles in the State.

9 (b) As used in this section, "low emission and energy-
10 efficient vehicles" means a vehicle that:

11 (1) Is powered primarily through the use of an
12 electric battery or battery pack that stores
13 energy produced by an electric motor through
14 regenerative braking to assist in vehicle
15 operation;

16 (2) Is propelled by power derived from one or more
17 cells converting chemical energy directly into



1 electricity by combining oxygen with hydrogen
 2 fuel that is stored on board the vehicle in any
 3 form; or

4 (3) Draws propulsion energy from onboard sources of
 5 stored energy generated from an internal
 6 combustion or heat engine using combustible fuel
 7 and a rechargeable energy storage system.

8 (c) The director of taxation shall adopt rules pursuant to
 9 chapter 91 necessary to administer this section."

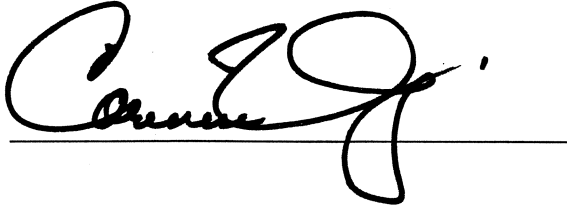
10 SECTION 2. New statutory material is underscored.

11 SECTION 3. This Act, upon its approval, shall apply to
 12 taxable years beginning after December 31, 2005.

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INTRODUCED BY:

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JAN 20 2006



HB 2020

Report Title:

Low Emission and Energy-Efficient Vehicles; Exemption from
General Excise Tax

Description:

Exempts the proceeds of low emission and energy-efficient
vehicle sales from the general excise tax.

