

JAN 23 2006

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- 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 electric
12 battery or battery pack that stores energy produced by
13 an electric motor through regenerative braking to
14 assist in vehicle operation;

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



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

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

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

9 SECTION 2. New statutory material is underscored.

10 SECTION 3. This Act shall take effect on July 1, 2006.

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INTRODUCED BY:

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SB2117

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.

SB SMO 06-008

