

Honolulu, Hawaii

FEB 17, 2006

RE: S.B. No. 2125  
S.D. 1

Honorable Robert Bunda  
President of the Senate  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Energy, Environment, and International Affairs, to which was referred S.B. No. 2125 entitled:

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

begs leave to report as follows:

The purpose of this measure is to provide a tax credit for the purchase of "Energy Star" designated and labeled products.

The Department of Commerce and Consumer Affairs, the Department of Business, Economic Development and Tourism, the Hawaiian Electric Company, and the Sierra Club Hawaii Chapter submitted testimony in support of this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that "Energy Star" rated products, such as energy-efficient appliances, will save Hawaii residents money and help to preserve the environment. As one testifier pointed out, the initial or up-front cost of an appliance frequently drives the consumer's purchase, even though a more energy-efficient product would save the consumer more money over time. This measure provides an incentive to Hawaii residents to purchase "Energy Star" rated products, thereby reducing energy demand and saving consumers money.

Upon further consideration, your Committee amended this measure by:

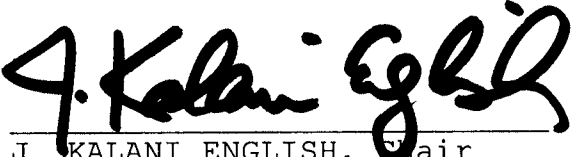
- (1) Adding the appropriate tax effective date language; and



- (2) Making technical, non-substantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2125, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2125, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Energy,  
Environment, and International  
Affairs,

  
J. KALANI ENGLISH, Chair



