

STAND. COM. REP. NO. 1318

Honolulu, Hawaii

March 20, 2007

RE: S.B. No. 1222
S.D. 3
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 1222, S.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO INCOME TAXATION,"

begs leave to report as follows:

The purpose of this measure is to clarify that the renewable energy technologies tax credit is available only for energy technology systems that are installed and placed in service in Hawaii.

Your Committee received testimony in support of the measure from the University of Hawaii's Hawaii Energy Policy Forum and the Hawaii Renewable Energy Alliance. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that the renewable energy technologies tax credit provides an incentive for businesses and residents to install and place into service energy technology systems that capture and convert natural sources such as the wind, heat, or light into a consumable energy or fuel. The tax credit, however, is unclear as to the qualifying location of such energy technologies systems.

This measure clarifies that the energy technologies systems must be installed and placed into service in the State in order to qualify for the renewable energy technologies tax credit.

SB1222 HD1 HSCR LRB 07-3519.doc



Your Committee has amended the bill by clarifying that this measure applies to taxable years beginning after December 31, 2006.

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 S.B. No. 1222, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1222, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

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

Hermina Morita

HERMINA MORITA, Chair



