

STAND. COM. REP. NO. 1471

Honolulu, Hawaii

APR 03 2007

RE: H.B. No. 1289  
H.D. 2  
S.D. 3

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1289, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish that all energy technology systems must be installed and placed in service in the State of Hawaii to obtain the State's income tax energy tax credit; and
- (2) Expand tax credits applicable to shareholder pro rata shares in S corporations.

The Department of Taxation and the Hawaii Energy Policy Forum submitted written testimony in support of this measure. The Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that this measure would clarify an ambiguity in existing tax law by making it clear that the tax credits for energy technology systems must be for systems installed and placed in service in the State.

Your Committee has amended this measure by:



- (1) Deleting the proposed technical, nonsubstantive amendment to section 235-129(a), Hawaii Revised Statutes (HRS), as unnecessary; and
- (2) Deleting the proposed amendments in section 235-129(b), HRS, and instead, replacing two references to section 235-12, HRS, relating to an energy conservation income tax credit, with references to section 235-12.5, HRS, relating to a renewable energy technologies income tax credit, in that subsection.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1289, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1289, H.D. 2, S.D. 3.


Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
ROSALYN H. BAKER, Chair



The Senate  
Twenty-Fourth Legislature  
State of Hawaii

Record of Votes  
Committee on Ways and Means  
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1289 HD2,SD2	ENE, EDT, WAM	3/29/07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
HOOSER, Gary L.	/			
KIM, Donna Mercado	/			
MENOR, Ron				/
TOKUDA, Jill N.	/			
HEMMINGS, Fred	/			
WHALEN, Paul	/			
<b>TOTAL</b>	10	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Clerk's Office	Drafting Agency		

\*Only one measure per Record of Votes