

STAND. COM. REP. NO.

62

Honolulu, Hawaii

FEB 08 2007

RE: S.B. No. 1396
S.D. 1

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

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 1396 entitled:

"A BILL FOR AN ACT RELATING TO TAX CREDITS FOR ENERGY STAR RATED APPLIANCES,"

begs leave to report as follows:

The purpose of this measure is to create an income tax credit for the purchase of eligible energy efficient appliances.

Your Committee received testimony in support of this measure from the Department of Taxation; the Department of Business, Economic Development and Tourism; the Department of Commerce and Consumer Affairs; Hawaiian Electric Company, Inc.; the Gas Company; the Sierra Club, Hawai'i Chapter; and one individual. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that encouraging energy efficiency will help the State reduce its dependence on imported fossil fuels, preserve Hawaii's delicate environment, and reduce the need for building new electric generation capacity. The intent of this measure is to promote greater energy efficiency and demand side management awareness among consumers by creating an income tax credit that may be claimed on the purchase of appliances that satisfy the energy efficiency guidelines of the Environmental Protection Agency and the federal Department of Energy.

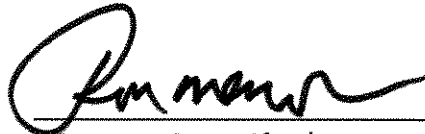


Your Committee has amended this measure to change references to the term electricity to the more appropriate term, energy, in the purpose section of this measure.

Your Committee received a fiscal impact statement from the Department of Taxation indicating that this measure, if passed, would result in a revenue loss to the State of \$9.6 million for fiscal year 2009. No methodology for determining the loss was furnished.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1396, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1396, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

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

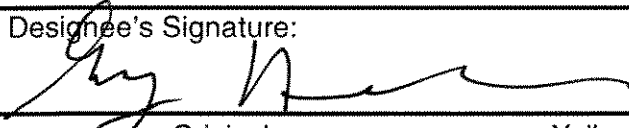


RON MENOR, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* SB 1396	Committee Referral: ENE, EDT, WAM	Date: 2/06/07		
<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
MENOR, Ron (C)	✓			
HOOSER, Gary L. (VC)	✓			
IHARA, Jr., Les				✓
KOKUBUN, Russell S.	✓			
TRIMBLE, Gordon	✓			
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original File with Committee Report		Yellow Clerk's Office		Pink Drafting Agency

*Only one measure per Record of Votes