

STAND. COM. REP. NO.

2948

Honolulu, Hawaii

MAR 14 2008

RE: H.B. No. 3064  
H.D. 2  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred H.B. No. 3064, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO REFUNDABLE RENEWABLE ENERGY TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to make the renewable energy technologies tax credit refundable for taxpayers with adjusted gross incomes of \$20,000 or less or taxpayers whose taxable income is exclusively pension or state retirement income.

Testimony in support of this measure was submitted by the Director of Taxation; Director of Business, Economic Development, and Tourism; Hawaiian Electric Company, Inc., and its subsidiaries, Maui Electric Company and Hawaii Electric Light Company, Inc.; Sierra Club, Hawaii Chapter; Hawaii Solar Energy Association; and two private citizens. Comments were submitted by the Tax Foundation of Hawaii.

Your Committee finds that many retirees have little Hawaii taxable income because under current law, pension income, including social security, is not taxable. As a result, while persons in this situation may otherwise have the resources to invest in renewable resource technologies, they presently cannot take advantage of the tax credits offered. This measure will afford certain retirees and persons with low income who have no tax liability with a refundable incentive to install renewable

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resource technologies, thus enabling them to reduce monthly electricity costs and support efforts to protect the environment.

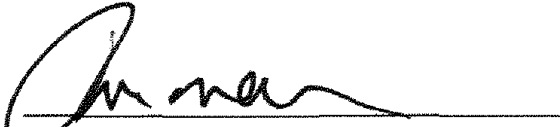
Your Committee has amended this measure by replacing its contents with the contents of S.B. No. 2986, S.D. 2, which is a similar measure. As amended, this measure specifies that the renewable energy technologies income tax credit is a nonrefundable tax credit, but allows an exception with respect to refunds for:

- (1) Taxpayers whose income is exempt from taxation under certain state and public retirement system laws or who have received compensation in the form of pension for past services; and
- (2) Taxpayers who have less than a certain amount of adjusted gross income.

With respect to taxpayers in the latter category, your Committee has left the amount of adjusted gross income unspecified and encourages further discussion in this regard as the measure moves forward to the Committee on Economic Development and Taxation.

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 H.B. No. 3064, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3064, H.D. 2, 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.:*	Committee Referral:	Date:		
HB 3064 HD 2	ENE, EDT, WAM	3/19/08		
<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				✓
<b>TOTAL</b>	<b>3</b>			<b>2</b>
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