

STAND. COM. REP. NO.

2059

Honolulu, Hawaii

FEB 04 2008

RE: S.B. No. 2455
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 S.B. No. 2455 entitled:

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

begs leave to report as follows:

The purpose of this measure is to expand the renewable energy technologies tax credit to include hydrogen energy systems.

Specifically, the measure provides an income tax credit in the amount of:

- (1) Thirty-five per cent of the actual cost or \$5,000 per unit for single-family residential properties;
- (2) Thirty-five per cent of the actual cost or \$10,000 per unit, whichever is less; and
- (3) Thirty-five per cent of the actual cost or \$15,000 per unit for commercial properties, whichever is less, when a hydrogen energy system is installed and placed into service in such properties located in the State.

Testimony in support of this measure was submitted by the Natural Energy Laboratory of Hawaii Authority and H2 Technologies, Inc. Testimony in opposition to this measure was submitted by the Hawaii Renewable Energy Alliance. Comments were submitted by the



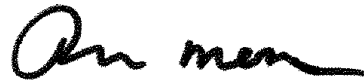
Department of Taxation, Department of Business, Economic Development, and Tourism; and the Tax Foundation of Hawaii.

Your Committee finds that a definition of "hydrogen energy system" is needed in order for the Department of Taxation to effectively implement and administer this tax credit.

Accordingly, your Committee has amended this measure by adding a definition for "hydrogen energy system".

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. 2455, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2455, 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,

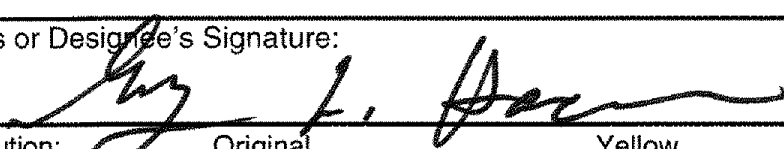


RON MENOR, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* SB 2455	Committee Referral: ENE, EDT, WAM	Date: 1/31/08		
<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	✓			
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