

Honolulu, Hawaii

FEB 15 2008

RE: S.B. No. 2623

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

Madam:

Your Committee on Economic Development and Taxation, to which was referred S.B. No. 2623 entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify that the renewable energy technologies income tax credit applies to solar electric energy systems, including solar thermal electric and photovoltaic systems, and to solar thermal energy systems, including solar water heating, solar air conditioning, solar space heating, solar drying, and solar process heat systems.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Energy Policy Forum; and Hawaii Solar Energy Association. Comments were received from the Department of Taxation and the Tax Foundation of Hawaii.

The intent of this measure is to expand the renewable energy technologies income tax credit to cover more technologies that have been developed over the course of time. Your Committee finds that this measure will enhance the achievement of the State's renewable energy goals, and is consistent with the State's energy sustainability guidelines.

The Department of Taxation found that this measure will not have an impact on the general fund. It is assumed that all "solar electric" systems would have previously qualified under "solar



thermal" or "photovoltaic." This measure adds detail but does not change what is commonly understood to be included under the meaning of "solar thermal".

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2623 and recommends that it be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Taxation,



CAROL FUKUNAGA, Chair



