
A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 237, Hawaii Revised Statutes, is amended by
2 adding a new section to be appropriately designated and to read
3 as follows:

4 "§237- Renewable energy tax exemption; nonprofit
5 organizations. (a) Each nonprofit organization that has
6 obtained tax exempt status under section 501(c) of the Internal
7 Revenue Code, may claim a renewable energy general excise tax
8 exemption under this chapter for an eligible renewable energy
9 technology system that is installed and placed in service in the
10 State for the exclusive use of the nonprofit organization. The
11 general excise tax exemption may be claimed as follows:

12 (1) For each solar energy system: _____ per cent of the
13 actual cost or the cap amount determined in subsection

14 (b), whichever is less; or

15 (2) For each wind-powered energy system: _____ per cent of
16 the actual cost or the cap amount determined in

17 subsection (b), whichever is less;



1 provided that, except as provided in subsection (f), the amount
2 of the tax exemption shall be based upon and limited to the
3 amount of the general excise tax paid by the nonprofit
4 organization for any revenue-generating activities that are
5 taxable under this chapter.

6 (b) The amount of exemption allowed for each eligible
7 renewable energy technology system shall not exceed the
8 applicable cap amount, which is determined as follows:

9 (1) If the primary purpose of the solar energy system is
10 to use energy from the sun to heat water, then the cap
11 amount shall be \$ _____ per system.

12 (2) For all other solar energy systems, the cap amounts
13 shall be \$ _____ per system.

14 (3) For all wind-powered energy systems, the cap amount
15 shall be \$ _____ per system.

16 (c) For the purposes of this section:

17 "Actual cost" means costs related to the renewable energy
18 technology systems under subsection (a), including accessories
19 and installation, but not including the cost of consumer
20 incentive premiums unrelated to the operation of the system or
21 offered with the sale of the system and costs for which another
22 exemption is claimed under this chapter.



1 "Renewable energy technology system" means a new system
2 that captures and converts a renewable source of energy, such as
3 solar or wind energy, into:

4 (1) A usable source of thermal or mechanical energy;

5 (2) Electricity; or

6 (3) Fuel.

7 "Solar or wind energy system" means any identifiable
8 facility, equipment, apparatus, or the like that converts solar
9 or wind energy to useful thermal or electrical energy for
10 heating, cooling, or reducing the use of other types of energy
11 that are dependent upon fossil fuel for their generation.

12 (d) For taxable years beginning after December 31, 2009,
13 the dollar amount of any utility rebate shall be deducted from
14 the cost of the qualifying system and its installation before
15 applying the tax exemption under this section.

16 (e) The director of taxation shall prepare any forms that
17 may be necessary to claim a tax exemption under this section,
18 including forms identifying the technology type of each tax
19 exemption claimed under this section, whether for solar or wind.

20 The director may also require the nonprofit organization to
21 furnish reasonable information to ascertain the validity of the
22 claim for exemption made under this section and may adopt rules



1 necessary to effectuate the purposes of this section pursuant to
2 chapter 91.

3 (f) If the tax exemption under this section exceeds the
4 nonprofit organization's general excise tax liability, the
5 excess of the exemption over liability may be used as an
6 exemption against the nonprofit organization's tax liability in
7 subsequent years until exhausted.

8 (g) All claims for the tax exemption under this section,
9 including amended claims, shall be filed on or before the end of
10 the twelfth month following the close of the taxable year for
11 which the exemption may be claimed. Failure to comply with this
12 subsection shall constitute a waiver of the right to claim the
13 exemption.

14 (h) This section shall apply to eligible renewable energy
15 technology systems that are installed and placed in service on
16 or after July 1, 2010."

17 SECTION 2. New statutory material is underscored.

18 SECTION 3. This Act shall take effect upon its approval
19 and shall apply to taxable years beginning after December 31,
20 2009.



Report Title:

General Excise Tax; Exemption; Nonprofit Organizations

Description:

Provides a general excise tax exemption for nonprofit organizations that install renewal energy technology systems.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

