
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
2 amended by adding a new section to be appropriately designated
3 and to read 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 by a licensed installer for the exclusive use of the
11 nonprofit organization. The general excise tax exemption may be
12 claimed by the nonprofit organization as follows:
13 (1) For each solar energy system: per cent of the
14 actual cost or the cap amount determined in subsection
15 (b), whichever is less; or



1 (2) For each wind-powered energy system: per cent of
 2 the actual cost or the cap amount determined in
 3 subsection (b), whichever is less;
 4 provided that, except as provided in subsection (f), the amount
 5 of the tax exemption shall be based upon and limited to the
 6 amount of the general excise tax paid by the nonprofit
 7 organization on any gross receipts received for all revenue-
 8 generating activities that benefit the public and are taxable
 9 under this chapter.

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

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

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

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

20 (c) For the purposes of this section:

21 "Actual cost" means costs related to the renewable energy
 22 technology systems under subsection (a), including accessories



1 and installation, but not including the cost of consumer
2 incentive premiums unrelated to the operation of the system or
3 offered with the sale of the system and costs for which another
4 exemption is claimed under this chapter.

5 "Renewable energy technology system" means a new system
6 that captures and converts a renewable source of energy, such as
7 solar or wind energy, into:

- 8 (1) A usable source of thermal or mechanical energy;
- 9 (2) Electricity; or
- 10 (3) Fuel.

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

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

20 (e) The director of taxation shall prepare any forms that
21 may be necessary to claim a tax exemption under this section,



1 including forms identifying the technology type of each tax
2 exemption claimed under this section, whether for solar or wind.

3 The director may also require the nonprofit organization to
4 furnish reasonable information to ascertain the validity of the
5 claim for exemption made under this section and may adopt rules
6 necessary to effectuate the purposes of this section pursuant to
7 chapter 91.

8 (f) If the tax exemption under this section exceeds the
9 nonprofit organization's general excise tax liability, the
10 excess of the exemption over liability may be used as an
11 exemption against the nonprofit organization's tax liability in
12 subsequent years until exhausted.

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

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

22 SECTION 2. New statutory material is underscored.



1 SECTION 3. This Act shall take effect upon its approval
2 and shall apply to taxable years beginning after December 31,
3 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 for their exclusive use.

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

