

JAN 21 2010

A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY SYSTEMS.

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

1 SECTION 1. The legislature finds that federal stimulus
2 funds for energy projects are available for a limited period of
3 time. Investors and renewable energy project developers are
4 seeking locations for solar, wind, biomass, biofuel, wave,
5 geothermal, hydropower, ocean thermal energy, and other
6 renewable energy projects. Attracting those projects and
7 investment dollars to Hawaii can provide jobs and long-term
8 energy, environmental, and economic benefits. This Act will
9 provide a measure of energy security, provide economic
10 diversification, and attract funding and investment to Hawaii
11 during a critical economic period.

12 The purpose of this Act is to exempt renewable energy
13 systems from the general excise tax for a limited period of
14 time.

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



1 "§237- Exemption of sale or lease of renewable energy
2 systems. (a) Beginning January 1, 2011, and ending
3 December 31, 2015, there shall be exempted from the measure of
4 the taxes imposed by this chapter all of the gross proceeds
5 arising from the sale, installation, servicing, and leasing of a
6 renewable energy system.

7 (b) As used in this section:

8 "Renewable energy system" means a system that produces
9 electricity or liquid fuels solely from one or more of the
10 following renewable energy sources:

- 11 (1) Wind;
- 12 (2) The sun;
- 13 (3) Falling or flowing water;
- 14 (4) Biogas, including landfill and sewage-based digester
15 gas;
- 16 (5) Geothermal;
- 17 (6) Ocean water, currents, and waves;
- 18 (7) Biomass, including biomass crops, algae, agricultural
19 and animal residues and wastes, and municipal solid
20 waste;
- 21 (8) Biofuels; and

1 (9) Hydrogen produced from water, biogas, or biomass,
2 using energy from renewable energy sources."

3 SECTION 3. New statutory material is underscored.

4 SECTION 4. This Act shall take effect upon its approval
5 and shall be repealed on December 31, 2015.

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Report Title:

General Excise Tax; Renewable Energy Systems; Exemption

Description:

Exempts renewable energy systems from the general excise tax from January 1, 2011, to December 31, 2015.

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