

STAND. COM. REP. NO.

2021

Honolulu, Hawaii

FEB - 4 2010

RE: S.B. No. 2234
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 2234 entitled:

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

begs leave to report as follows:

The purpose of this measure is to exempt from the general excise tax the proceeds arising from the sale, installation, servicing, or leasing of renewable energy systems purchased or placed in service from January 1, 2011 to December 31, 2015.

Testimony in support of the measure was submitted by two organizations. Two state agencies support the intent of the measure, and one organization submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure is part of the Hawaii Clean Energy Initiative's 2010 policy recommendations to help Hawaii meet the Initiative's goal of seventy per cent clean, renewable energy by 2030.

The Department of Business, Economic Development, and Tourism and the Department of Taxation suggest providing this exemption for renewable energy systems that generate at least two megawatts of electricity or greater as set forth in S.B. No. 2675, Regular Session of 2010. Your Committee finds that a complete exemption from the general excise tax is a generous incentive that should be reserved for systems that significantly contribute to Hawaii's energy independence.

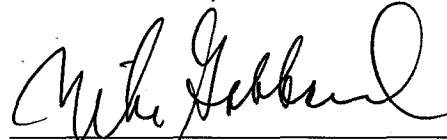
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Your Committee has amended this measure by adopting the recommendation of the Department of Business, Economic Development, and Tourism and the Department of Taxation to replace its contents with the contents of S.B. No. 2675.

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. 2234, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2234, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy and
Environment,



MIKE GABBARD, Chair



