

STAND. COM. REP. NO.

883

Honolulu, Hawaii

March 4, 2011

RE: H.B. No. 566
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 566, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to modify the Renewable Energy Technologies Income Tax Credit (Tax Credit) by:

- (1) Requiring a renewable energy technology system to be placed in service prior to January 1, 2017, to be eligible for the Tax Credit;
- (2) Stipulating that Tax Credits claimed during the 2012 taxable year will be paid out beginning July 1, 2013; and
- (3) Requiring the Department of Business, Economic Development, and Tourism (DBEDT) to complete an assessment by October 1, 2014, on the effectiveness and ongoing need for the Tax Credit after December 31, 2016.

Hawaii Solar Energy Association and The Solar Alliance supported this bill. DBEDT submitted comments.

HB566 HD2 HSCR FIN HMS 2011-2882

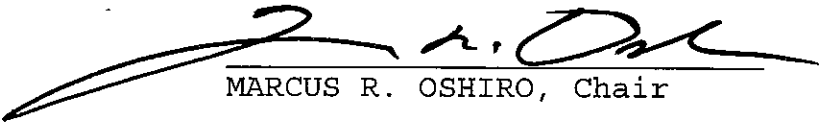


Your Committee has amended this measure by:

- (1) Requiring Tax Credits to be claimed in the taxable year that is two years following the taxable year in which the cost was incurred;
- (2) Narrowing the scope of the Tax Credit for individuals by limiting the availability of the Tax Credit to residents of the State; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 566, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 566, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,


MARCUS R. OSHIRO, Chair



