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# A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

1           SECTION 1. The legislature finds that it requires factual  
2 information on the fiscal impact of renewable energy tax credits  
3 in past years in order to evaluate the effectiveness of the tax  
4 credits and to properly compare projections for future years  
5 resulting from proposed changes to the tax credits.

6           SECTION 2. Chapter 235, Hawaii Revised Statutes, is  
7 amended by adding two new sections to be appropriately  
8 designated and to read as follows:

9           "§235-A Joint report on renewable energy tax credits. The  
10 department of taxation, in collaboration with the department of  
11 business, economic development, and tourism, shall submit a  
12 joint report to the legislature no later than twenty days prior  
13 to the convening of each regular session. The joint report  
14 shall include the following:

- 15           (1) The number of renewable energy technology properties  
16           that have qualified for a renewable energy tax credit  
17           in each of the previous four taxable years for which  
18           data is available, categorized by:



- 1           (A) Type of technology; and
- 2           (B) Type of entity;
- 3       (2) The total cost of the renewable energy tax credit to  
4       the State during the past four taxable years,  
5       categorized by:
  - 6           (A) Type of technology;
  - 7           (B) Type of entity; and
  - 8           (C) Whether the credit is refundable or  
9           nonrefundable; and
- 10       (3) The estimated economic benefit that may be  
11       attributable to the renewable energy tax credit in  
12       each of the previous four taxable years for which data  
13       was collected pursuant to section 235-B, including:
  - 14           (A) General excise and income tax paid by reporting  
15           business entities; and
  - 16           (B) Estimated employment impacts, including:
    - 17               (i) Number of full- and part-time employees  
18               maintained by reporting business entities;
    - 19               (ii) Number of full- and part-time, temporary,  
20               and permanent positions created and lost by  
21               reporting business entities; and

1            (iii) Average pay of the positions reflected in  
2            subparagraphs (A) and (B).

3            **§235-B Renewable energy tax credits; survey.**    (a)

4   Business entities that install renewable energy technology  
5   eligible for a renewable energy tax credit under this chapter  
6   shall complete and file with the department of business,  
7   economic development, and tourism, through the department of  
8   business, economic development, and tourism's website, an annual  
9   survey on electronic forms prepared and prescribed by the  
10   department of business, economic development, and tourism. The  
11   annual survey shall be filed before June 30 of the calendar year  
12   following each year in which a renewable energy tax credit may  
13   be claimed under this chapter. The department of business,  
14   economic development, and tourism may adjust the due date of the  
15   annual survey by rule.

16            (b) The annual survey shall include the following  
17   information for the time period or periods specified by the  
18   department of business, economic development, and tourism:

19            (1) The estimated economic benefit to the business entity  
20            that may be attributable to the renewable energy tax  
21            credit;



1        (2) General excise and income tax paid by the business  
2        entity; and

3        (3) Estimated employment impacts, including:

4        (A) Number of full- and part-time employees  
5        maintained by the entity;

6        (B) Number of full- and part-time, temporary and  
7        permanent positions created and lost; and

8        (C) Average pay of the positions reported pursuant to  
9        subparagraphs (A) and (B).

10        The department of business, economic development, and  
11 tourism shall request information in each of these categories  
12 sufficient to measure the effectiveness of the tax credit. In  
13 preparing the survey and requesting any additional information,  
14 the department of business, economic development, and tourism  
15 shall ensure that reporting business entities are not subject to  
16 duplicative reporting requirements.

17        (c) The department of business, economic development, and  
18 tourism shall use information collected under this section and  
19 through other reporting requirements of the department of  
20 business, economic development, and tourism and the department  
21 of taxation to prepare summary descriptive statistics for each  
22 of the items listed under subsection (b).



1       (d) The department of business, economic development, and  
2 tourism and the department of taxation shall use the information  
3 collected under this section to study the effectiveness of  
4 renewable energy tax credits provided under this chapter. The  
5 department of business, economic development, and tourism and  
6 the department of taxation shall report on the results of this  
7 survey as provided in section 235-A.

8       (e) The department of business, economic development, and  
9 tourism and the department of taxation shall adopt rules  
10 pursuant to chapter 91 necessary to implement this section."

11       SECTION 3. There is appropriated out of the general  
12 revenues of the State of Hawaii the sum of \$            or so much  
13 thereof as may be necessary for fiscal year 2014-2015 to the  
14 department of taxation for necessary costs in preparing and  
15 submitting the joint report described in section 2 to the  
16 legislature.

17       The sum appropriated shall be expended by the department of  
18 taxation for the purposes of this Act.

19       SECTION 4. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$            or so much  
21 thereof as may be necessary for fiscal year 2014-2015 to the  
22 department of business, economic development, and tourism for



1 necessary costs in preparing and submitting the joint report  
2 described in section 2 to the legislature.

3 The sum appropriated shall be expended by the department of  
4 business, economic development, and tourism for the purposes of  
5 this Act.

6 SECTION 5. The department of taxation shall submit to the  
7 legislature no later than twenty days prior to the convening of  
8 the regular session of 2015, proposed legislation to amend this  
9 Act.

10 SECTION 6. In codifying the new sections added by section  
11 2 of this Act, the revisor of statutes shall substitute  
12 appropriate section numbers for the letters used in designating  
13 the new sections in this Act.

14 SECTION 7. New statutory material is underscored.

15 SECTION 8. This Act shall take effect on July 1, 2017.



**Report Title:**

Renewable Energy Tax Credit; Joint Report; Appropriation

**Description:**

Requires DOTAX and DBEDT to submit an annual joint report to the legislature regarding the cost and benefits of renewable energy tax credits to the State. Requires DBEDT to conduct an annual survey for data-gathering purposes. Appropriates unspecified funds. Effective July 1, 2017. (SB2195 HD1)

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

