

STAND. COM. REP. NO.

1586

Honolulu, Hawaii

April 5, 2013

RE: S.B. No. 623
S.D. 2
H.D. 3

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 623, S.D. 2, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Provide income tax credits for renewable energy technologies for solar energy properties and wind energy properties, rather than solar energy systems and wind energy systems, including by specifying eligibility criteria and the amounts of allowable credits; and
- (2) Require the Department of Taxation, in collaboration with the Department of Business, Economic Development, and Tourism, to report to the Legislature regarding tax credits claimed for solar and wind energy properties and make recommendations for continued tax credit policy.

The Department of Business, Economic Development, and Tourism; Sunrun; R & R Solar Supply; SunPower Systems, Corporation; Mainstream Energy Corp.; Keahole Solar Power; Rising Sun Solar; Sierra Club, Hawai'i Chapter; Hawaii PV Coalition; Ulupono Initiative; Forest City Hawaii; Sunetric; RevoluSun; Inter-Island Solar Supply; Distributed Energy Partners; Hawaii Solar Energy Association; Hawaii Energy Policy Forum; and the

SB623 HD3 HSCR FIN HMS 2013-3181



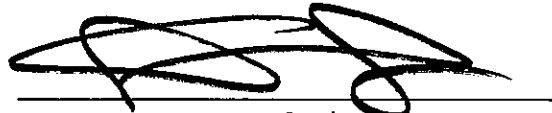
Sovereign Councils of the Hawaiian Homelands Assembly testified in support of this measure. The Department of Taxation, Green Power Projects LLC, Tax Foundation of Hawaii, Blue Planet Foundation, and Kauai Island Utility Cooperative provided comments on this measure.

Your Committee has amended this measure by:

- (1) Inserting specified tax credit amounts for solar energy property used exclusively to heat water and for solar energy property used primarily to generate electricity;
- (2) Specifying that the tax credit for solar energy property used to generate electricity more than one megawatt in alternating current capacity is available for electricity sold via a power purchase agreement;
- (3) Specifying that the tax credit for solar energy property used to generate electricity more than one megawatt in alternating current capacity shall not be reduced by any subsequent legislative act or executive decision; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 S.B. No. 623, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 623, S.D. 2, H.D. 3.

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



SYLVIA LUKE, Chair

State of Hawaii
House of Representatives
The Twenty-seventh Legislature

HSCR 1586

Record of Votes of the Committee on Finance

Bill/Resolution No.: SB623 SD2 HD2	Committee Referral: EEP, CPC, FIN	Date: 04/01/13	
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.			
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)			
FIN Members	Ayes	Ayes (WR)	Nays
1. LUKE, Sylvia (C)	/		
2. NISHIMOTO, Scott Y. (VC)	/		
3. JOHANSON, Aaron Ling (VC)	/		
4. CULLEN, Ty J.K.	/		
5. HASHEM, Mark J.	/		
6. ING, Kaniela	/		
7. JORDAN, Jo		/	
8. KOBAYASHI, Bertrand	/		
9. LOWEN, Nicole E.	/		
10. MORIKAWA, Dee	/		
11. ONISHI, Richard H.K.	/		
12. TAKAYAMA, Gregg	/		
13. TOKIOKA, James Kunane	/		
14. WOODSON, Justin H.	/		
15. YAMASHITA, Kyle T.		/	
16. FUKUMOTO, Beth	/	/	
17. WARD, Gene		/	
TOTAL (17)	14	3	
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted			
If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 12pt;">committee acronym(s)</div>			
Vice Chair's or designee's signature:			
Distribution: Original (White) -- Committee Duplicate (Yellow) -- Chief Clerk's Office Duplicate (Pink) -- HMSO			