

Honolulu, Hawaii

Feb 12, 2008

RE: H.B. No. 3064

H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 3064 entitled:

"A BILL FOR AN ACT RELATING TO REFUNDABLE RENEWABLE ENERGY TAX CREDIT,"

begs leave to report as follows:

The purpose of this bill is to provide additional financial incentives to invest in renewable technologies by making the existing Renewable Energy Technologies Income Tax Credit refundable for taxpayers:

- (1) Whose adjusted gross income is \$20,000 or less; and
- (2) Whose income is derived from state retirement benefits or pension benefits that are exempt from income taxation.

The Department of Taxation (DOTAX), Department of Business, Economic Development, and Tourism, Hawaiian Electric Company, Inc., Maui Electric Company, Hawaii Electric Light Company, Inc., Hawaii Solar Energy Association, Sierra Club, Hawaii Chapter, and Hawaii Renewable Energy Alliance supported this bill. The Tax Foundation of Hawaii submitted comments.

Your Committee notes that testimony from DOTAX indicated that the annual revenue loss as a result of this measure is estimated to be \$41,000 starting in fiscal year 2008-2009.

HB3064 HD1 HSCR EEP HMS 2008-1804



Your Committee has amended this measure by:

- (1) Clarifying that its provisions apply to taxable years beginning after December 31, 2007; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3064, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3064, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



HERMINA MORITA, Chair



