

STAND. COM. REP. NO.

76

Honolulu, Hawaii

FEB 08 2007

RE: S.B. No. 1222
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 1222 entitled:

"A BILL FOR AN ACT RELATING TO INCOME TAXATION, "

begs leave to report as follows:

The purpose of this measure is to encourage the use of renewable energy technology systems in the State.

The measure attempts to accomplish this purpose by clarifying that tax credits are eligible to only in-state installations of renewable energy technology systems.

Your Committee received comments on this measure from the Department of Taxation, Hawaii Renewable Energy Alliance, and the Tax Foundation of Hawaii.

Your Committee received a fiscal impact statement from the Department of Taxation indicating that this measure, if passed, would result in a revenue gain to the State of \$29,000.

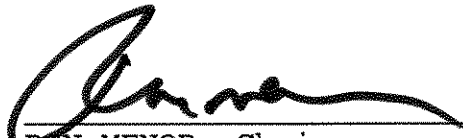
Your Committee finds that allowing renewable energy technology systems installed out-of-state to be eligible for tax credits defeats the purpose of offering tax credits. Your Committee further finds that clarification is needed to ensure only renewable energy technology systems installed in the State of Hawaii are eligible for tax credits.



Your Committee adopted the Department of Taxation's recommendations and amended this measure by re-inserting "resident" into section 235-129(a), Hawaii Revised Statutes, and by clarifying that all tax credits earned by an S corporation may be allocated to its shareholders.

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. 1222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1222, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

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



RON MENOR, Chair

The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 1222</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">ENE, EDT, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2/06/07</div>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
MENOR, Ron (C)	✓			
HOOSER, Gary L. (VC)	✓			
IHARA, Jr., Les				✓
KOKUBUN, Russell S.	✓			
TRIMBLE, Gordon	✓			
TOTAL	4			1
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive;"> </div>				
<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> Distribution: <div style="font-size: 1.2em; font-family: cursive;"> </div> </div> <div style="width: 40%; text-align: center;"> Original File with Committee Report </div> <div style="width: 30%; text-align: center;"> Yellow Clerk's Office </div> <div style="width: 30%; text-align: center;"> Pink Drafting Agency </div> </div>				

*Only one measure per Record of Votes