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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1           SECTION 1. Chapter 237, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§237-    Alternative energy improvements; exemption. (a)

5 All gross income or gross proceeds received by any person or  
6 business subject to this chapter, for the sale of alternative  
7 energy improvements in the State shall be exempt from the taxes  
8 imposed under this chapter.

9           (b) Application for the exemption provided by this section  
10 shall be made with the director of taxation. The director of  
11 taxation may require the person or business to furnish  
12 reasonable information in order that the director may ascertain  
13 the validity of the application for exemption made under this  
14 section.

15           (c) The director of taxation may adopt rules pursuant to  
16 chapter 91 to effectuate this section.

17           (d) As used in this section "alternate energy improvement"  
18 means any sale or installation of equipment or costs related to



1 the construction, addition, alteration, modification,  
2 improvement, or repair work undertaken upon, or made to any  
3 building that results in the use of:

4 (1) The production of energy from an energy source or the  
5 utilization of an energy process that does not use  
6 fossil fuels or nuclear fuels. An energy source may  
7 include, but shall not be limited to, solid wastes,  
8 wind, geothermal, solar, or ocean waves, tides, or  
9 currents. An energy process may include, but shall  
10 not be limited to, bio-conversion, hydro-electric  
11 power, thermal conversion, or osmosis; provided that  
12 nuclear fission shall be excluded from the provisions  
13 of this section; or

14 (2) An increased level of efficiency in the utilization of  
15 energy produced by fossil fuels or in the utilization  
16 of secondary forms of energy dependent upon fossil  
17 fuels for its generation."

18 SECTION 2. New statutory material is underscored.

19 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: \_\_\_\_\_

*Ron Chary*

*Paul Walsh*

*[Signature]*



**Report Title:**

General Excise Tax Exemption; Alternative Energy Exemption

**Description:**

Creates an general excise tax exemption for the purchase or installation of equipment, or cost of structural modification to utilize alternative energy improvements.

