
A BILL FOR AN ACT

RELATING TO ENERGY SELF-SUFFICIENCY.

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- Exemption on sale of biofuels. (a) There shall
5 be exempted from and excluded from the measure of the taxes
6 imposed by this chapter all of the gross proceeds arising from
7 the sale of biofuels for consumption or use by the purchaser and
8 not for resale.

9 (b) As used in this section, "biofuels" means:

10 (1) Neat biomass-derived alcohol liquid fuel or a
11 petroleum-derived fuel and alcohol liquid fuel mixture
12 consisting of at least ten volume per cent denatured
13 biomass-derived alcohol; or

14 (2) A vegetable oil based fuel, which meets American
15 Society for Testing and Materials International
16 Standard D6751, "Specification for Biodiesel Fuel
17 Blend Stock (B100) for Distillate Fuels," as amended,



1 or a mixture consisting of fuel meeting American
2 Society for Testing and Materials International
3 Standard D6751 with petroleum-based diesel fuel,
4 designated B5, where 5 represents the volume
5 percentage of biodiesel fuel in the blend; or

6 (3) Any other fuel produced from non-petroleum sources,
7 including natural vegetable oil, plant or other
8 natural resource byproduct, waste cooking oils, fats,
9 greases, or grease trap waste, that can be used for
10 the generation of power; that is commercially usable
11 as a fuel to power aircraft, seacraft, spacecraft,
12 automobiles, trucks, or other motorized vehicles.

13 (c) Any savings realized from this exemption shall be
14 passed on to the end consumer and shall not be used by a
15 producer or wholesaler of alcohol fuels to raise wholesale
16 alcohol fuel prices to increase the wholesaler's or producer's
17 profit margin on the sale of the alcohol fuel.

18 (d) The director of taxation shall adopt rules pursuant to
19 chapter 91 necessary to administer this section."

20 SECTION 2. Section 237-24.75, Hawaii Revised Statutes, is
21 amended to read as follows:



1 " ~~[+] §237-24.75 []~~ Additional exemptions. (a) In addition
2 to the amounts exempt under section 237-24, this chapter shall
3 not apply to ~~[amounts]~~:

4 (1) Amounts received as a beverage container deposit
5 collected under chapter 342G, part VIII ~~[]~~;

6 (2) Amounts received for the installation of solar thermal
7 energy systems in single-family or multi-family
8 residential properties or in commercial properties;

9 and

10 (3) Amounts received for the purchase of alternative fuel
11 motor vehicles or hybrid vehicles that are fuel
12 efficient.

13 (b) For the purposes of this section:

14 "Solar thermal energy system" means a renewable energy
15 technology system that captures and converts heat from the sun
16 into a useable source of energy or fuel.

17 "Fuel-efficient" means a motor vehicle that meets or
18 exceeds thirty-five miles per gallon for highway driving and
19 that can also operate using non-petroleum biodiesel."

20 SECTION 3. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 4. This Act shall take effect on July 1, 2007;
2 provided that sections 1 and 2 shall apply to gross income and
3 gross proceeds received on or after January 1, 2008.



Report Title:

Solar Energy; Fuel Efficient Automobiles; General Excise Tax

Description:

Exempts solar energy system installation costs and the purchase of fuel efficient automobiles from the general excise tax.

(SD1)

