

Bill No. HB 1446  
LINDA LINGLE  
GOVERNOR  
Support Y (N)  
JAMES R. AIOA, JR.  
LT. GOVERNOR  
Date 2/15  
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**HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION  
TESTIMONY REGARDING HB 1446  
RELATING TO RENEWABLE ENERGY TECHNOLOGIES**

**TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)**  
**DATE: FEBRUARY 17, 2009**  
**TIME: 9AM**  
**ROOM: 325**

This bill would allow persons over age 60 to claim the renewable energy technologies income tax credit as a refundable credit.

The Department of Taxation (Department) must **oppose the revenue loss anticipated by this measure.**

**NOT FACTORED INTO EXECUTIVE BUDGET**

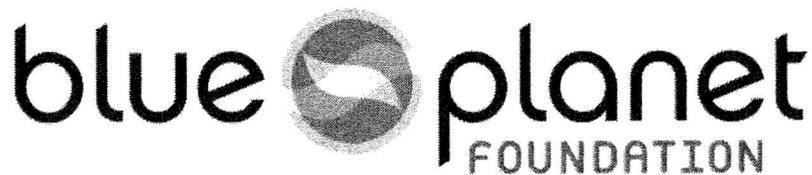
Though the Department supports the intent of minimizing the State's dependency upon foreign oil and fossil fuels, the Department cannot support the tax provision in this measure because it is not factored into the budget. The Department points out that this legislation has not been factored into the Executive Budget and has not been prioritized as a means of tax relief this legislative session. The Department must be cognizant of the biennium budget and financial plan. This measure has not been factored into either. Given the forecasted decrease in revenue projections, this measure would add to the budget shortfall.

**PREFERENCE FOR HB 1053**

If the intent is to provide retired persons or those with little taxable income a refundable credit, the Department suggests adopting the language of HB 1053, which provides a refundable renewable energy technologies credit for those earning purely tax exempt pension income or who earn \$20,000 or less. This precludes the wealthy over age 60 from claiming this credit as a refundable credit when they would have no need for such a tax incentive. This has also been factored into the budget.

**REVENUE IMPACT**

The revenue loss is estimated at \$200,000 per year starting in FY 2010.



Bill No. HB 1446

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Date 2/16

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**HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION**

February 17, 2008, 9:00 A.M.

Room 325

(Testimony is 1 page long)

**TESTIMONY IN SUPPORT OF HB 1446, SUGGESTED AMENDMENTS**

Chair Morita and members of the committee:

The Blue Planet Foundation supports House Bill 1446, allowing for a direct refund to retired or individuals for the purchase and installation of a renewable energy system. We believe this measure should be amended to include low-income individuals or those without a taxable income to also be eligible to receive a refund for the purchase of a renewable energy system. Language to accomplish this can be found in HB 3064 from the 2008 legislative session.

Hawaii's renewable energy tax credits have proven incredibly successful in helping to promote the use of solar and other renewable energies in the state. Hawai'i currently leads the nation in the number of solar water heaters installed per capita (although some 75% of homes still lack this basic renewable energy device).

House Bill 1446, if amended to include other low income individuals, would enable those who lack a taxable income over a certain amount to access the renewable energy incentive. It particularly makes sense to extend this tax credit in the form of a refund to those low-income homeowners who would most benefit from reduced energy costs provided by a solar water heater. Additionally, retired homeowners on a fixed income should be encouraged to invest in this smart technology as well.

While such refunds have a direct impact on the state budget, Blue Planet believes this impact is small and can result in positive revenue for the state in terms of job creation, tax revenue, and reduction in money leaving the state economy to purchase imported petroleum. Regardless, we would strongly support the establishment of a per-barrel oil surcharge (\$5) to help fund programs such as refundable tax credits for renewable energy systems. Such a small surcharge would go a long way in creating jobs, accelerating clean energy adoption, and moving toward energy and economic independence.

Thank you for the opportunity to testify.

**Jeff Mikulina, executive director • [jeff@blueplanetfoundation.org](mailto:jeff@blueplanetfoundation.org)**

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