

LINDA LINGLE
GOVERNOR
THEODORE E. LIU
DIRECTOR
MARK K. ANDERSON
DEPUTY DIRECTOR

Bill No. 1446

Support N

Date 2/16/09

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**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**



No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813 Telephone: (808) 586-2355
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804 Fax: (808) 586-2377
Web site: www.hawaii.gov/dbedt

Statement of
THEODORE E. LIU
Director

Department of Business, Economic Development, and Tourism
before the
**HOUSE COMMITTEE ON
ENERGY & ENVIRONMENTAL PROTECTION**

Tuesday, February 17, 2009
9:00 a.m.
State Capitol, Conference Room 325

in consideration of
HB1446
RELATING TO ENERGY EFFICIENCY.

Chair Morita, Chair Ito, Vice Chair Coffman, Vice Chair Har, and members of the committees.

The Department of Business, Economic Development, and Tourism (DBEDT) supports the intent of HB1446, which entitles taxpayers over the age of 60 to a refundable tax credit, provided the amount is at least \$1. We prefer, however, the provisions in HB1053, an Administration measure. The proposal in HB1053 would allow refundable tax credits based on adjusted gross income or by election of the taxpayer to use either the tax credit or take a refundable credit. The

provisions are as follows:

- An individual taxpayer may elect to have any excess of the credit over payments due refunded to the taxpayer, if the taxpayer's adjusted gross income is \$20,000 or less (or \$40,000 or less if filing a tax return as married filing jointly).
- An individual taxpayer who does not meet the adjusted gross income requirements noted above may elect to take a refundable tax credit. The refundable tax credit would reduce the eligible credit amount by thirty percent.

We believe that the provisions above address the need for refundable tax credits and provide taxpayers with a choice while recognizing the need for those on fixed incomes or with lower incomes. The provisions above have been coordinated with the Department of Taxation, and we strongly recommend that these provisions be adopted.

Thank you for the opportunity to provide this testimony.

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Testimony for HB1446 on 2/17/2009 9:00:00 AM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 16, 2009 4:33 PM

To: EEPtestimony

Cc: prentissc001@hawaii.rr.com

Testimony for EEP 2/17/2009 9:00:00 AM HB1446

Conference room: 325
 Testifier position: support
 Testifier will be present: No
 Submitted by: Charles Prentiss
 Organization: Individual
 Address: 519 Wanaao Road Kailua, HI 96734
 Phone: 2636121
 E-mail: prentissc001@hawaii.rr.com
 Submitted on: 2/16/2009

Comments:

This bill is needed because senior citizens with only pension income have no State income tax liability from which to get a tax credit for installing solar water and photovoltaic systems on their homes. The current law gives everyone the credit except these seniors. Let's not discriminate against our senior citizens who want to help with our energy problem.

This will not be a costly bill because the numbers of claimants will be small. Also, when compared with the fact that you now allow a single business up to \$500,000 credit for installing a system, the annual cost will likely be less than you give to only one business.

You may also wish to consider reducing the business credit to \$495,000 which will likely make up for any extra cost for the senior credit, but not really reduce the incentive for businesses.

Please pass this bill.

Thank You, Charles Prentiss, Kailua

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