STAND. COM. REP. NO.

Honolulu, Hawaii March 4, 2011

RE: H.B. No. 566 H.D. 2

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 566, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to modify the Renewable Energy Technologies Income Tax Credit (Tax Credit) by:

- Requiring a renewable energy technology system to be placed in service prior to January 1, 2017, to be eligible for the Tax Credit;
- (2) Stipulating that Tax Credits claimed during the 2012 taxable year will be paid out beginning July 1, 2013; and
- (3) Requiring the Department of Business, Economic Development, and Tourism (DBEDT) to complete an assessment by October 1, 2014, on the effectiveness and ongoing need for the Tax Credit after December 31, 2016.

Hawaii Solar Energy Association and The Solar Alliance supported this bill. DBEDT submitted comments.



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Your Committee has amended this measure by:

- Requiring Tax Credits to be claimed in the taxable year that is two years following the taxable year in which the cost was incurred;
- (2) Narrowing the scope of the Tax Credit for individuals by limiting the availability of the Tax Credit to residents of the State; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 566, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 566, H.D. 2.

> Respectfully submitted on behalf of the members of the Committee on Finance,

MARCUS R. OSHIRO, Chair



State of Hawaii House of Representatives The Twenty-sixth Legislature



Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 566, HD 1	Committee Referral: Date: 3/3/			3/3/11	
□ The committee is reconsidering its previous decision on the measure.					
The recommendation is to: □ Pass, unamended (as is) Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)					
FIN Members		Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)		V			
2. LEE, Marilyn B. (VC)		\checkmark			
3. CHONG, Pono		\sim			
4. CHOY, Isaac W.		<u> </u>			
5. COFFMAN, Denny					
6. CULLEN, Ty					
7. HAR, Sharon E.					
8. HASHEM, Mark J.		~			
9. ICHIYAMA, Linda		~			
10. JORDAN, Jo		~			
11. LEE, Chris					
12. MORIKAWA, Dee					
13. TOKIOKA, James Kunane		L			
14. YAMASHITA, Kyle T.		-			
15. MARUMOTO, Barbara C.		\sim			
16. RIVIERE, Gil		~			
17. WARD, Gene				V	
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			-		
TOTAL (17)		15	\mathcal{O}	1	1
The recommendation is: Adopted If joint referral, did not support recommendation.					
Vice Chair's or designee's signature: Mail 3. Low					
Distribution: Original (White) – Committee Duplicate (Yellow) Chief Clerk's Office Duplicate (Pink) – HMSO					