

STAND. COM. REP. NO. 3112

Honolulu, Hawaii

MAR 23 2026

RE: H.B. No. 2241
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Energy and Intergovernmental Affairs, to which was referred H.B. No. 2241, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the Renewable Energy Technologies Income Tax Credit by:

- (1) Beginning December 31, 2026, limiting claims for certain solar energy systems that are not third-party financed systems and installed and placed in service on a single-family residential property to taxpayers with an adjusted gross income of \$250,000 or less if filing as an individual or \$350,000 or less if filing jointly;
- (2) Removing certain cap amounts for solar energy systems that are not third-party financed systems; and
- (3) Increasing the maximum adjusted gross income an individual taxpayer must be below in order to be eligible to have any excess credits refunded and limiting credit refundability to systems that are not third-party financed system.



Your Committee received testimony in opposition to this measure from PV Tech; Inter-Island Solar Supply/The Solaray Corporation; EP Cube; Solartech Hawaii, LLC; Hawaii Solar Energy Association; Hawaii Energy Connection (aka KumuKit solar); Energy Advisors; Alternate Energy, Inc.; and twelve individuals.

Your Committee received comments on this measure from the Department of Taxation, Hawaii State Energy Office, and Tax Foundation of Hawaii.

Your Committee finds that incentives are necessary to sustain residential solar deployment at levels required to achieve the State's renewable energy goals. Considering current market conditions and recent cutbacks of federal funding, it is imperative for the State to encourage an equitable tax incentive structure to assist low- and moderate-income families to convert to renewable energy technologies. By amending the Renewable Energy Technologies Income Tax Credit, which has been effective at transitioning the State to green energy, this measure will mitigate the impact of the elimination of federal solar incentives and support the swift adoption of renewable energy for individuals most vulnerable to rising electricity costs.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2241, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2241, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy and
Intergovernmental Affairs,



GLENN WAKAI, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Energy and Intergovernmental Affairs
EIG

Bill / Resolution No.:* HB 22A1, HDI	Committee Referral: EIG, WAM	Date: 3/17/26		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	✓			
CHANG, Stanley (VC)	✓			
DECOITE, Lynn	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
FEVELLA, Kurt				✓
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink File with Committee Report Committee Drafting Agency				

*Only one measure per Record of Votes