

Honolulu, Hawaii

APR 09 2026

RE: H.B. No. 2241
H.D. 1
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 2241, H.D. 1, S.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.

More specifically, this measure:

- (1) Limits claims for certain solar energy systems 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) Removes certain cap amounts for solar energy systems that are not third-party financed systems; and
- (3) Increases the adjusted gross income requirements for an individual taxpayer to elect to have any excess credits refunded and limiting refundability to systems that are not third-party financed systems.



Your Committee received written comments in opposition to this measure from Alternate Energy Inc., ELCCO Inc., Hawaii Solar Energy Association, HI-POWER Solar LLC, Independent Energy, Inter-Island Solar Supply and The Solaray Corporation, Photonworks Engineering, PV Tech, Sunspear Energy, and eleven individuals.

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

Your Committee finds that achieving the State's environmental goals will require an accelerated transition to renewable energy sources. Your Committee further finds that renewable energy systems that utilize solar and wind energy to generate electricity, heat, or fuel are essential components of this transition. Your Committee also finds that adjustments to the renewable energy technologies income tax credit, including limiting eligibility to low- and moderate-income taxpayers, could improve equitable access to clean energy and support families most affected by energy costs. Your Committee believes that the changes proposed in this measure may also help to maintain employment within the State's energy sector and mitigate the impacts of recent federal reductions in renewable energy tax incentives.

Your Committee has amended this measure by:

- (1) Reinstating certain cap amounts for solar energy systems that are not third-party financed systems;
- (2) Amending the adjusted gross income thresholds for claiming the tax credit for certain solar energy systems installed and placed in service on a single-family residential property by:
 - (A) Changing the adjusted gross income threshold for individuals from \$250,000 or less to \$175,000 or less; and
 - (B) Adding an adjusted gross income threshold of \$262,500 or less for heads of household;
- (3) Prohibiting a taxpayer from claiming a credit for a renewable energy technology system installed and placed

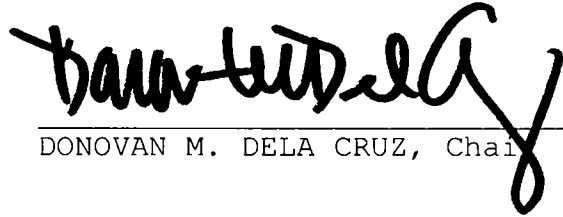


in service on a residential property where the taxpayer has claimed a credit in prior taxable years;

- (4) Changing the effective date from July 1, 3000, to upon approval;
- (5) Adding a repeal date of January 1, 2029; and
- (6) Making technical, nonsubstantive amendments for purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2241, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2241, H.D. 1, S.D. 2.


Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB2241, HD1, SD1	EIG, WAM	4/6/2026		
<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
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
DECOITE, Lynn	X			
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris				X
RICHARDS, III, Herbert M. "Tim"	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	12	0	0	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