

Honolulu, Hawaii

MAR 30, 2026

RE: S.B. No. 3183  
S.D. 2  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2026  
State of Hawaii

Madame:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 3183, S.D. 2, entitled:

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

begs leave to report as follows:

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

- (1) Prohibiting single or joint filers with an adjusted gross income of \$250,000 or greater from claiming a credit for solar energy systems with the primary purpose other than using solar energy to heat water for household use that are installed and placed in service on a single-family residential property, with certain exemptions;
- (2) Amending the cap amount for certain solar energy systems; and
- (3) Increasing the adjusted gross income threshold below which an individual taxpayer may elect to have any excess credits refunded.



Your Committee received testimony in opposition to this measure from the Hawaii Solar Energy Association; Energy Advisors; PV Tech; Photonworks Engineering; Alternate Energy Inc.; Independent Energy; Solartech Hawaii LLC; Sol-Ark; HI-POWER Solar LLC; EP Cube; Sunspear Energy; LegaSea Energy; Hawaii Energy Connection; and nine individuals. Your Committee received comments on this measure from the Department of Taxation; Hawai'i State Energy Office; and Tax Foundation of Hawaii.

Your Committee finds that renewable energy systems that capture solar and wind energy and convert it to energy will be essential in the State's transition away from fossil fuels. Your Committee further finds that the Renewable Energy Technologies Income Tax Credit, which is key to incentivizing the expansion of these systems, could be updated to better support low- and moderate- income families and promote equitable access to clean energy. Your Committee believes that these changes would promote more equitable access to clean energy and help offset federal actions to limit tax incentives for renewable energy.

Your Committee has amended this measure by:

- (1) Increasing the income cap for taxpayers filing jointly and claiming credits for certain solar energy systems to \$350,000;
- (2) Removing the exemption to the income restriction for third parties financing certain solar energy systems;
- (3) Reinstating the cap amount for certain solar energy systems per single-family residential property;
- (4) Limiting credit claims for certain solar energy systems for single-family residential property to two systems per single-family residential property and requiring systems to have a total output capacity of at least five kilowatts;
- (5) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3183, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3183, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Energy &  
Environmental Protection,



NICOLE E. LOWEN, Chair



**Record of Votes of the Committee on Energy & Environmental Protection**

Bill/Resolution No.: <b>SB 3183 SD2</b>	Committee Referral: <b>EEP, FIN</b>	Date: <b>3/24/26</b>
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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)

EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LOWEN, Nicole E. (C)	✓			
2. PERRUSO, Amy A. (VC)	✓			
3. CHUN, Cory M.	✓			
4. KAHALOA, Kirstin				✓
5. KUSCH, Matthias	✓			
6. QUINLAN, Sean				✓
7. MATSUMOTO, Lauren	✓			
<b>TOTAL (7)</b>	<b>5</b>			<b>2</b>

The recommendation is:  Adopted     Not Adopted  
 If joint referral, \_\_\_\_\_ did not support recommendation.  
committee acronym(s)

Vice Chair's or designee's signature: *Amy Perruso*

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