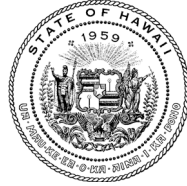


JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
Ka 'Oihana 'Auhau
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GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 2241, H.D.1, S.D.1, Relating to Renewable Energy

BEFORE THE:

Senate Committee on Ways and Means

DATE: Wednesday, April 1, 2026

TIME: 10:03 a.m.

LOCATION: State Capitol, Room 211

Chair Dela Cruz, Vice-Chair Moriwaki, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 2241, H.D.1, S.D.1, for your consideration.

H.B. 2241, H.D.1, S.D.1, amends section 235-12.5, Hawaii Revised Statutes (HRS), the Renewable Energy Technologies Income Tax Credit (RETITC), by limiting the availability of the credit for systems installed on a single-family residential property to taxpayers with an adjusted gross income (AGI) of \$250,000 or less if filing individually or \$350,000 or less if filing jointly. This income restriction only applies to systems that are not third-party financed systems.

The bill also amends the per solar energy system cap amount in section 235-12.5(c)(2). The \$5,000 cap amount is retained for third-party financed systems but is removed for non-third-party financed systems. As a result, eligible taxpayers will be able to claim the credit for a single-family residential property based on 35 percent of the actual cost per system, but if the system is third-party financed the credit is limited to the \$5,000 per system cap amount.

The bill also defines a "third-party financed system" as a renewable energy technology system for which the credit is claimed by a taxpayer who is not the owner of

the property on which the system is installed and placed into service.

H.B. 2241, H.D.1, S.D.1, also increases the AGI thresholds for individual taxpayers to request any excess of the credit over payments be made refundable, from \$20,000 to \$40,000 for individual filers, and from \$40,000 to \$60,000 for joint filers.

The measure has a defective effective date of July 1, 3000, and applies to taxable years beginning after December 31, 2026.

DOTAX notes that it can implement the tax law changes as proposed for taxable years beginning after December 31, 2026.

DOTAX estimates this bill will result in a revenue gain as follows:

General Fund Impact (\$ millions)

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
-	9.3	9.6	9.9	10.2	10.5

Thank you for the opportunity to provide comments on this measure.

HB-2241-SD-1

Submitted on: 3/31/2026 6:11:23 AM

Testimony for WAM on 4/1/2026 10:03:00 AM

Submitted By	Organization	Testifier Position	Testify
Jay Zarghami	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Committee Members,

I have been working for Hawaii's clean energy / energy independence and grid stability efforts as an engineer, asset manager, and business consultant at every level, with every stakeholder type, for well over a decade. Data has been shown that the Hawaii Investment Tax Credit pays dividends above the amount of the incentive itself for the community by supporting the buildout of renewable energy generation and storage technologies that help reduce our dependence on imported fossil fuels. It is good for the investors, it is good for the grid operator (HECO), and it is good for the community. This is clear.

Because of this, I oppose HB2241 HD2 SD1 as written because restricting the Renewable Energy Technologies Income Tax Credit will increase energy costs and limit access to rooftop solar and battery storage for Hawaii residents when federal incentives have already been cut by a partisan, corrupted federal government. Hawaii should be expanding access to clean, locally generated energy, not restricting it. This measure will undermine affordability, economic growth, and energy resilience.

Mahalo for providing the opportunity to testify in opposition.

With best regards,

Jay Zarghami

HB-2241-SD-1

Submitted on: 3/31/2026 6:28:18 AM

Testimony for WAM on 4/1/2026 10:03:00 AM

Submitted By	Organization	Testifier Position	Testify
Chris Schopen	Testifying for Alternate Energy Inc	Oppose	Written Testimony Only

Comments:

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Committee Members,

I oppose HB2241 HD2 SD1 as written because restricting the Renewable Energy Technologies Income Tax Credit will increase energy costs and limit access to rooftop solar and battery storage for Hawaii residents. Hawaii should be expanding access to clean, locally generated energy, not restricting it. This measure will undermine affordability, economic growth, and energy resilience.

Mahalo for providing the opportunity to testify in opposition.

HB-2241-SD-1

Submitted on: 3/31/2026 6:31:24 AM

Testimony for WAM on 4/1/2026 10:03:00 AM

Submitted By	Organization	Testifier Position	Testify
James Rudolph	Testifying for Independent Energy	Oppose	Written Testimony Only

Comments:

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Committee Members,

I oppose HB2241 HD2 SD1 as written because restricting the Renewable Energy Technologies Income Tax Credit will increase energy costs and limit Hawaii residents' access to rooftop solar and battery storage. Hawaii should expand access to clean, locally generated energy, not restrict it. This measure will undermine affordability, economic growth, and energy resilience.

Mahalo for providing the opportunity to testify in opposition.

Sincerely,

James Rudolph

HB-2241-SD-1

Submitted on: 3/31/2026 6:40:28 AM

Testimony for WAM on 4/1/2026 10:03:00 AM

Submitted By	Organization	Testifier Position	Testify
PAUL OREM	Testifying for Photonworks Engineering	Oppose	Written Testimony Only

Comments:

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Committee Members,

I oppose HB2241 HD2 SD1 as written because restricting the Renewable Energy Technologies Income Tax Credit will increase energy costs and limit access to rooftop solar and battery storage for Hawaii residents. Hawaii should be expanding access to clean, locally generated energy, not restricting it. This measure will undermine affordability, economic growth, and energy resilience. Due to the elimination of the federal tax credit for residential our residential sales have plummeted to nearly nothing. This is will negatively impact companies workers and consumers. Dont mess with the tax credit. Trump has already done enough damage so don't contribute the the disaster he created.

Mahalo for providing the opportunity to testify in opposition.

HB-2241-SD-1

Submitted on: 3/31/2026 6:55:03 AM

Testimony for WAM on 4/1/2026 10:03:00 AM

Submitted By	Organization	Testifier Position	Testify
Isidro Villaflor	Testifying for PV Tech	Oppose	Written Testimony Only

Comments:

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Committee Members,

I oppose HB2241 HD2 SD1 as written because restricting the Renewable Energy Technologies Income Tax Credit will increase energy costs and limit access to rooftop solar and battery storage for Hawaii residents. Hawaii should be expanding access to clean, locally generated energy, not restricting it. This measure will undermine affordability, economic growth, and energy resilience.

Mahalo for providing the opportunity to testify in opposition.

Isidro Villaflor

HB-2241-SD-1

Submitted on: 3/31/2026 7:23:03 AM

Testimony for WAM on 4/1/2026 10:03:00 AM

Submitted By	Organization	Testifier Position	Testify
Nakkara Hess	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Committee Members,

I oppose HB2241 HD2 SD1 as written because restricting the Renewable Energy Technologies Income Tax Credit will increase energy costs and limit access to rooftop solar and battery storage for Hawai'i residents. Hawai'i should be expanding access to clean, locally generated energy, not restricting it. This measure will undermine affordability, economic growth, and energy resilience.

Mahalo for providing the opportunity to testify in opposition.

HB-2241-SD-1

Submitted on: 3/31/2026 7:24:29 AM

Testimony for WAM on 4/1/2026 10:03:00 AM

Submitted By	Organization	Testifier Position	Testify
Jeffrey Kaemmerlen	Testifying for Sunspear Energy	Oppose	Written Testimony Only

Comments:

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Committee Members,

I oppose HB2241 HD2 SD1 as written because restricting the Renewable Energy Technologies Income Tax Credit will increase energy costs and limit access to rooftop solar and battery storage for Hawaii residents. Hawaii should be expanding access to clean, locally generated energy, not restricting it. This measure will undermine affordability, economic growth, and energy resilience.

Mahalo for providing the opportunity to testify in opposition.

Jeffrey Kaemmerlen

HB-2241-SD-1

Submitted on: 3/31/2026 7:56:59 AM

Testimony for WAM on 4/1/2026 10:03:00 AM

Submitted By	Organization	Testifier Position	Testify
Sarah Amadeo	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Committee Members,

I oppose HB2241 HD2 SD1 as written because restricting the Renewable Energy Technologies Income Tax Credit will increase energy costs and limit access to rooftop solar and battery storage for Hawaii residents. Hawaii should be expanding access to clean, locally generated energy, not restricting it. This measure will undermine affordability, economic growth, and energy resilience.

Mahalo for providing the opportunity to testify in opposition.