



# HAWAII STATE ENERGY OFFICE STATE OF HAWAII

235 South Beretania Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone:  
Web:

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR

MARK B. GLICK  
CHIEF ENERGY OFFICER

(808) 451-6648  
energy.hawaii.gov

Testimony of  
**MARK B. GLICK, Chief Energy Officer**

before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Wednesday, February 25, 2026  
10:56 AM  
State Capitol, Conference Room 211 and Videoconference

Providing Comments on  
**SB 3183, SD1**

**RELATING TO RENEWABLE ENERGY.**

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee, the Hawai'i State Energy Office (HSEO) SB 3183, SD1, which proposes several amendments to the Renewable Energy Technologies Income Tax Credit (REITC). Specifically, the measure would: 1) impose a \$250,000 adjusted gross income (AGI) eligibility limit for certain residential solar credits beginning December 31, 2026, with specified exemptions; 2) remove the existing cap amounts for solar energy systems, excluding solar water heating systems; and 3) increase the AGI eligibility thresholds for individual taxpayers electing to receive refundable credits.

SB 3183, SD1, raises important equity questions about who benefits from state incentives. However, given current market conditions and the recent expiration of federal residential solar incentives, HSEO cautions against implementing significant changes to the REITC in this legislative session. Accordingly, HSEO recommends removing the language imposing the \$250,000 AGI eligibility limit (page 5, lines 5-15). If the committee prefers to keep the language, HSEO suggests increasing the threshold.

Mahalo for the opportunity to testify.



Legislative Testimony of Sunrun Inc.  
Before the WAM Committee  
February 25, 2026

**PROVIDING COMMENTS on SB3183 SD1 – Relating to Renewable Energy**

Dear Chair Dela Cruz, Vice Chair Moriwaki, and distinguished Members of the Committee on Ways and Means,

Sunrun is the nation’s leading home solar, battery storage and energy services company, and has a long and proud history in Hawai‘i with office and warehouse locations on O‘ahu, Maui, and Hawai‘i Islands. We directly employ more than 200 professional solar workers across the islands, including sales/marketers, customer experience professionals, and installation team members including electrical inspectors, technicians, forepersons and warehouse personnel.

**Sunrun would like to provide comments on SB3183 SD1**, which would 1) restrict eligibility for single-family residential systems based on income; 2) remove the \$5,000 cap on the residential solar tax credit; and 3) expand refundability for lower-income households.

Sunrun supports SB3183 SD1’s removal of the \$5,000 cap on the renewable energy tax credit, which is critical to support solar and energy storage deployment as federal incentives are reduced. The rooftop solar industry is already experiencing a significant downturn since the 30% federal residential clean energy tax credit (25D) expired at the end of 2025.

Further, Sunrun shares industry concerns that restricting eligibility for single-family residential systems based on income could reduce demand, harm local solar businesses and workers, and slow Hawai‘i’s progress toward its clean energy and resilience goals at a time of major federal market disruption. Hawai‘i has a 100% renewable portfolio standard (RPS) by 2045, and DER systems are critical to achieving the state’s goals while improving both affordability and grid resilience.

As a national provider of solar, storage, and energy services, Sunrun respectfully urges the Legislature to retain the cap removal and reconsider the income restriction in SB3183 SD1. Mahalo for the opportunity to provide testimony on this legislation.

**SB-3183-SD-1**

Submitted on: 2/24/2026 4:37:48 AM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
ALAN LENNARD	Testifying for Green Power Projects LLC	Comments	Written Testimony Only

Comments:

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

While I support removing or lifting the \$5,000 cap on the renewable energy tax credit to help stabilize the solar and energy storage market following the loss of federal incentives, I am concerned that restricting eligibility for single-family residential systems based on income could reduce demand, harm local solar businesses and workers, and slow Hawaii's progress toward its clean energy and resilience goals.

Mahalo for the opportunity to provide comments on this bill.

Alan Lennard



**Hawaii Solar Energy Association**  
*Serving Hawaii Since 1977*

**Testimony of the Hawaii Solar Energy Association (HSEA) Regarding SB3183 SD1, Relating to Renewable Energy, Before the Senate Committee on Ways and Means**

**Wednesday, February 25, 2026**

**Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Committee Members,**

The Hawaii Solar Energy Association (HSEA) offers **comments on SB3183 SD1**. HSEA appreciates the Legislature’s continued attention to ensuring that Hawaii’s renewable energy policies promote affordability, equity, economic opportunity, and progress toward the State’s clean energy and resilience goals.

HSEA represents locally owned solar and energy storage contractors, as well as national and global clean energy companies doing business in Hawaii. Our members employ thousands of Hawaii residents in skilled, family-sustaining jobs across construction, engineering, sales, and operations.

**Concerns with the Income Restriction on Residential Systems**

While we would welcome and appreciate a removal or lifting of the credit cap amount as a means of mitigating the drastic loss of the federal incentives, HSEA has **serious concerns with the provision restricting eligibility for the RETITC for single-family residential systems based on taxpayer income**.

We understand and respect the intent to address equity and affordability; however, HSEA believes this approach is likely to have **unintended and counterproductive consequences**.

First, reducing market participation harms local businesses and workers. Hawaii’s solar industry employs thousands of residents across income levels, many of whom are precisely the intended beneficiaries of affordability-focused policies. Shrinking the market reduces project volume, raises soft costs, and undermines job stability in an industry that delivers broad economic benefits across the State. And with the loss of federal incentives, the timing of this hit would compound current disruption in the market.

Second, the restriction risks suppressing overall demand at a time when Hawaii is already falling behind on its distributed energy resource (DER) deployment goals, including those articulated in the Governor’s Executive Order No. 25-01 and Act 266 (SB589). Slowing rooftop solar and energy storage deployment makes it harder, not easier, to achieve these statewide objectives.



**Hawaii Solar Energy Association**  
*Serving Hawaii Since 1977*

Third, this approach risks framing clean energy deployment as a zero-sum exercise, creating winners and losers rather than expanding access system-wide. Hawaii's clean energy transition requires inclusive, scalable solutions that grow the market while ensuring benefits are broadly shared.

**More Effective Ways to Advance Equity and Affordability**

If the Legislature's goal is to expand equitable access to clean energy, HSEA believes more effective tools are available, including:

- expanding access to financing through the Hawaii Green Infrastructure Authority (HGIA);
- standing up viable Community-Based Renewable Energy (CBRE) and Retail Wheeling programs with on-bill payment;
- reducing soft costs through permitting and interconnection reforms;
- implementing well-designed grid services tariffs that reduce customer bills and drive higher penetration of reliable, lower-cost energy on the grid; and
- addressing high energy burdens directly through programs such as LIHEAP.

These approaches increase access without shrinking the market, harming local employers, or slowing progress toward Hawaii's clean energy goals.

HSEA would appreciate a removal or lifting of the residential credit cap on the RETITC and appreciates the Legislature's intent to address affordability and equity. However, we respectfully urge the Committee to reconsider the income-based restriction on residential systems and to continue to pursue more inclusive, market-expanding strategies that align with Hawaii's renewable energy, economic development, and resilience priorities.

The RETITC has consistently proven to be a high-return public investment -- attracting private capital investment, creating local jobs, strengthening energy security, and delivering long-term benefits to taxpayers. Preserving and strengthening that role is critical at this moment.

Thank you for the opportunity to provide comments.

Sincerely,

**Rocky Mould**, Executive Director

**SB-3183-SD-1**

Submitted on: 2/23/2026 4:53:26 PM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Isidro Villaflor	Testifying for PV Tech	Comments	Written Testimony Only

Comments:

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

While I support removing or lifting the \$5,000 cap on the renewable energy tax credit to help stabilize the solar and energy storage market following the loss of federal incentives, I am concerned that restricting eligibility for single-family residential systems based on income could reduce demand, harm local solar businesses and workers, and slow Hawaii's progress toward its clean energy and resilience goals.

Mahalo for the opportunity to provide comments on this bill.

Sid Villaflor

**SB-3183-SD-1**

Submitted on: 2/23/2026 5:02:32 PM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Chris Schopen	Testifying for Alternate Energy Inc	Comments	Written Testimony Only

Comments:

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

While I support removing or lifting the \$5,000 cap on the renewable energy tax credit to help stabilize the solar and energy storage market following the loss of federal incentives, I am concerned that restricting eligibility for single-family residential systems based on income could reduce demand, harm local solar businesses and workers, and slow Hawaii's progress toward its clean energy and resilience goals.

Mahalo for the opportunity to provide comments on this bill.

**SB-3183-SD-1**

Submitted on: 2/23/2026 5:08:25 PM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Alan Schlissel	Individual	Oppose	Written Testimony Only

Comments:

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

Who can invest in renewable energy or low income housing is mainly high net worth individuals. They are the only ones that have the capital to invest in an asset, like solar, that has a long payback period. Also, who has the money to invest in something like solar other than financially successful people. The credits help and are necessary for an investor to get a rate of return that would get them to invest in solar. Without the credits, investing in renewable energy is not nearly as good of an investment as other possible investment opportunities or the stock market. Without tax credits, the rate of return of an investor would be so low as to make other investments much more lucrative.

Any restriction on the credits greater than the restrictions that are currently in place are not helping the state get off fossil fuels and not encouraging investment in solar installations in Hawaii.

Thank you for considering my comments to the bill.

Sincerely,

Alan Schlissel

**SB-3183-SD-1**

Submitted on: 2/23/2026 5:23:12 PM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Roy Skaggs	Individual	Comments	Written Testimony Only

Comments:

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

While I strongly support removing or lifting the \$5,000 cap on the renewable energy tax credit to help stabilize the solar and energy storage market following the loss of federal incentives, I strongly oppose restricting eligibility for single-family residential systems based on income. This could reduce demand, harm local solar businesses and workers, and slow Hawaii's progress toward its clean energy and resilience goals.

Mahalo!

Roy Skaggs

**SB-3183-SD-1**

Submitted on: 2/23/2026 5:46:06 PM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Support

3183 SB RELATING TO RENEWABLE ENERGY.

Helps small solar businesses. Helps address the State's initiative to renewable energy. Helps with climate change to GET OFF FOSSIL FUEL DEPENDENCE!

**SB-3183-SD-1**

Submitted on: 2/23/2026 5:57:20 PM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
John Grandinetti	Individual	Support	Written Testimony Only

Comments:

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

While I support removing or lifting the \$5,000 cap on the renewable energy tax credit to help stabilize the solar and energy storage market following the loss of federal incentives, I am concerned that restricting eligibility for single-family residential systems based on income could reduce demand, harm local solar businesses and workers, and slow Hawaii's progress toward its clean energy and resilience goals.

Mahalo for the opportunity to provide comments on this bill.

**SB-3183-SD-1**

Submitted on: 2/23/2026 6:15:00 PM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Brett Kulbis	Individual	Oppose	Written Testimony Only

Comments:

**Chair Dela Cruz and Committee Members,**

**My name is Brett Kulbis, I'm a 26yr retired Navy Veteran, who took a solemn oath to defend the Constitution from all enemies foreign and domestic, and that oath didn't expire when I retired. I live in Ewa Beach.**

**I STRONGLY OPPOSE BILL SB-3183 SD1 and stand by my previous testimony.**

**Brett Kulbis**

**SB-3183-SD-1**

Submitted on: 2/23/2026 6:36:27 PM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Nick Azari	Testifying for Arion Energy	Support	Written Testimony Only

Comments:

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

While I support removing or lifting the \$5,000 cap on the renewable energy tax credit to help stabilize the solar and energy storage market following the loss of federal incentives, I am concerned that restricting eligibility for single-family residential systems based on income could reduce demand, harm local solar businesses and workers, and slow Hawaii's progress toward its clean energy and resilience goals.

Mahalo for the opportunity to provide comments on this bill.

**SB-3183-SD-1**

Submitted on: 2/23/2026 6:52:25 PM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Radford Nakamura	Individual	Comments	Written Testimony Only

Comments:

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

While I support removing or lifting the \$5,000 cap on the renewable energy tax credit to help stabilize the solar and energy storage market following the loss of federal incentives, I am concerned that restricting eligibility for single-family residential systems based on income could reduce demand, harm local solar businesses and workers, and slow Hawaii's progress toward its clean energy and resilience goals.

Mahalo for the opportunity to provide comments on this bill.

Radford Nakamura

**SB-3183-SD-1**

Submitted on: 2/23/2026 8:39:13 PM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jeff Lum	Individual	Comments	Written Testimony Only

Comments:

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

While I support removing or lifting the \$5,000 cap on the renewable energy tax credit to help stabilize the solar and energy storage market following the loss of federal incentives, I am concerned that restricting eligibility for single-family residential systems based on income could reduce demand, harm local solar businesses and workers, and slow Hawaii's progress toward its clean energy and resilience goals.

Mahalo for the opportunity to provide comments on this bill.

**SB-3183-SD-1**

Submitted on: 2/23/2026 10:08:04 PM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Rachel Ah Sue	Testifying for Malama Solar LLC	Comments	Written Testimony Only

Comments:

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

Mahalo for the opportunity to provide comments on this bill.

I support efforts to remove or lift the \$5,000 cap on the Renewable Energy Technologies Income Tax Credit to help stabilize Hawai'i's solar and energy storage market following the loss of federal incentives. Expanding access to the state credit is an important step in maintaining momentum in our clean energy transition.

However, I am concerned that restricting eligibility for single-family residential systems based on income could unintentionally reduce demand, harm local solar businesses and workers, and slow Hawai'i's progress toward its clean energy and resilience goals.

Any policy changes should carefully consider the broader market impacts and the importance of maintaining consistent demand to support local jobs, grid reliability, and customer adoption of renewable energy and storage systems.

Thank you for your consideration.

**SB-3183-SD-1**

Submitted on: 2/24/2026 5:25:45 AM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
William Giese	Testifying for Inter-Island Solar Supply/The Solaray Corporation	Comments	Written Testimony Only

Comments:

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

While I support removing or lifting the \$5,000 cap on the renewable energy tax credit to help stabilize the solar and energy storage market following the loss of federal incentives, I am concerned that restricting eligibility for single-family residential systems based on income could reduce demand, harm local solar businesses and workers, and slow Hawaii's progress toward its clean energy and resilience goals.

Mahalo for the opportunity to provide comments on this bill.

**SB-3183-SD-1**

Submitted on: 2/24/2026 7:16:54 AM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
wei lian	Individual	Comments	Written Testimony Only

Comments:

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

While I support removing or lifting the \$5,000 cap on the renewable energy tax credit to help stabilize the solar and energy storage market following the loss of federal incentives, I am concerned that restricting eligibility for single-family residential systems based on income could reduce demand, harm local solar businesses and workers, and slow Hawaii's progress toward its clean energy and resilience goals.

Mahalo for the opportunity to provide comments on this bill,

Wei Lian

**SB-3183-SD-1**

Submitted on: 2/24/2026 7:53:24 AM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Chris DeBone	Testifying for Hawaii Energy Connection (aka KumuKit)	Comments	Written Testimony Only

Comments:

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

While I support removing or lifting the \$5,000 cap on the renewable energy tax credit to help stabilize the solar and energy storage market following the loss of federal incentives, I am concerned that restricting eligibility for single-family residential systems based on income could reduce demand, harm local solar businesses and workers, and slow Hawaii’s progress toward its clean energy and resilience goals.

Restricting eligibility for any renewable energy resource seems to be detrimental to the State of Hawaii energy goals.

Early adopters of new technology is crucial in advancing affordable solution down the road.

Mahalo for the opportunity to provide comments on this bill.

Chris DeBone

Founder, Hawaii Energy Connection

**SB-3183-SD-1**

Submitted on: 2/24/2026 8:07:36 AM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Kathryn Troyan	Testifying for Alternate Energy Inc.	Comments	Written Testimony Only

Comments:

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

While I support removing or lifting the \$5,000 cap on the renewable energy tax credit to help stabilize the solar and energy storage market following the loss of federal incentives, I am concerned that restricting eligibility for single-family residential systems based on income could reduce demand, harm local solar businesses and workers, and slow Hawaii's progress toward its clean energy and resilience goals.

Mahalo for the opportunity to provide comments on this bill.

Kathryn Troyan  
Alternate Energy Inc.

**SB-3183-SD-1**

Submitted on: 2/24/2026 8:54:57 AM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Neal Martin	Testifying for ELCCO Inc.	Comments	Written Testimony Only

Comments:

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

While I support removing or lifting the \$5,000 cap on the renewable energy tax credit to help stabilize the solar and energy storage market following the loss of federal incentives, I am concerned that restricting eligibility for single-family residential systems based on income could reduce demand, harm local solar businesses and workers, and slow Hawaii's progress toward its clean energy and resilience goals.

Mahalo for the opportunity to provide comments on this bill.

Neal Martin

Project Developer (Elcco Inc)

JOSH GREEN M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
Ka 'Oihana 'Auhau  
P.O. BOX 259  
HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1540  
FAX NO: (808) 587-1560

GARY S. SUGANUMA  
DIRECTOR

KRISTEN M.R. SAKAMOTO  
DEPUTY DIRECTOR

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

**TESTIMONY ON THE FOLLOWING MEASURE:**

S.B. No. 3183, S.D.1, Relating to Renewable Energy

**BEFORE THE:**

Senate Committee on Ways and Means

**DATE:** Wednesday, February 25, 2026

**TIME:** 10:56 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 S.B. 3183, S.D.1, for your consideration.

S.B. 3183, S.D.1, amends section 235-12.5, Hawaii Revised Statutes (HRS), the Renewable Energy Technologies Income Tax Credit (RETITC), by adding a subsection that limits the credit for systems installed on a single-family residential property to individual or jointly filing taxpayers with an adjusted gross income (AGI) of \$250,000 or less. This income restriction does not apply to a third party financing a solar energy system for a single-family residential property, or to any energy system that primarily uses solar energy to heat water for household use.

The bill also deletes the \$5,000 cap per solar energy system (if other than a solar water heater) for single-family residential property in section 235-12.5(c)(2)(A). 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.

S.B. 3183, S.D.1, also increases the AGI thresholds for individual taxpayers to request any excess of the credit over payments be refunded, from \$20,000 to \$40,000 for those filing individually, and from \$40,000 to \$60,000 for those married filing jointly.

The measure has a defective effective date of April 19, 2042, and applies to taxable years beginning after December 31, 2026.

DOTAX notes that it can implement these changes for taxable years beginning after December 31, 2026.

If this bill were to take effect for taxable years beginning after December 31, 2026, DOTAX estimates the following revenue gain:

**General Fund Impact (\$ millions)**

<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>	<b>FY 2031</b>	<b>FY 2032</b>
-	15.2	15.7	16.1	16.6	17.1

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

# TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: NET INCOME, Restrict Higher Income Taxpayers from Claiming, Remove Certain Cap Amounts, Allow More Lower-Income Taxpayers No-Cost Refundability Election

BILL NUMBER: ; SB 3183 SD1

INTRODUCED BY: EIG

EXECUTIVE SUMMARY: Amends the renewable energy technologies income tax credit by beginning 12/31/26, prohibiting individually or jointly filing taxpayers with an adjusted gross income of \$250,000 or greater from claiming a credit for certain solar energy systems installed and placed in service on a single-family residential property, with certain exemptions; removing certain cap amounts for solar energy systems; and increasing the adjusted gross income requirements for an individual taxpayer to elect to have any excess credits refunded.

SYNOPSIS: Amends sec 235-12.5(b), HRS, for tax credit claims on solar energy systems installed and placed in service on a single-family residential property for taxable years beginning after December 31, 2026. The tax credit shall be available if the taxpayer's adjusted gross income is \$250,000 or less, whether filing an individual or joint tax return.

This income restriction shall not apply to a third party financing a solar energy system for single-family residential property; provided further that this income restriction shall not apply to any energy systems with the primary purpose of using energy from the sun to heat water for household use.

Makes conforming amendments in sec 235-12.5(a) to remove the credit cap on single family residential property systems.

Amends sec 235-12.5(h) to allow a taxpayer to elect that the credit be made refundable without reduction if the taxpayer's adjusted gross income is \$40,000 or less (up from \$20,000) of adjusted gross income (\$60,000, up from \$40,000, if married filing jointly).

EFFECTIVE DATE: April 19, 2042, for taxable years beginning after December 31, 2026

STAFF COMMENTS: The measure restricts the availability of the tax credit for solar energy systems installed on single family residential property to low- and moderate-income families. It also expands the elective tax credit refundability by increasing the AGI thresholds.

The tax system is there to raise revenue to keep the government moving. Using the tax system to shape social policy merely throws the revenue raising system out of whack, making the system less than reliable as there is no way to determine how many taxpayers will avail themselves of the credit and in what amount.

Re: SB 3183 SD1

Page 2

Furthermore, tax credits are nothing more than the expenditure of public dollars, but out the back door. If, in fact, these dollars were subject to the appropriation process, would taxpayers be as generous about the expenditure of these funds when our kids are roasting in the public school classrooms, there isn't enough money for social service programs, or our state hospitals are on the verge of collapse?

If lawmakers want to subsidize the purchase of this type of technology, then a direct appropriation would be more accountable and transparent.

Digested: 2/23/2026

**SB-3183-SD-1**

Submitted on: 2/24/2026 10:37:06 AM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Miles	Individual	Comments	Written Testimony Only

Comments:

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

While I support removing or lifting the \$5,000 cap on the renewable energy tax credit to help stabilize the solar and energy storage market following the loss of federal incentives, I am concerned that restricting eligibility for single-family residential systems based on income could reduce demand, harm local solar businesses and workers, and slow Hawaii's progress toward its clean energy and resilience goals.

Mahalo for the opportunity to provide comments on this bill.

Sincerely,

Miles Yoshimoto

Project Developer

Alternate Energy Inc.

96-1276 Waihona Street Unit 114 Pearl City HI 96782

**SB-3183-SD-1**

Submitted on: 2/24/2026 11:11:59 AM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
James Rudolph	Testifying for Independent Energy	Support	Written Testimony Only

Comments:

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

While I support removing or lifting the \$5,000 cap on the renewable energy tax credit to help stabilize the solar and energy storage market following the loss of federal incentives, I am concerned that restricting eligibility for single-family residential systems based on income could reduce demand, harm local solar businesses and workers, and slow Hawaii's progress toward its clean energy and resilience goals.

Mahalo for the opportunity to provide comments on this bill.

**SB-3183-SD-1**

Submitted on: 2/24/2026 2:14:19 PM

Testimony for WAM on 2/25/2026 10:56:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
PAUL OREM	Testifying for Photonworks Engineering	Comments	Written Testimony Only

Comments:

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

While I support removing or lifting the \$5,000 cap on the renewable energy tax credit to help stabilize the solar and energy storage market following the loss of federal incentives, I am concerned that restricting eligibility for single-family residential systems based on income could reduce demand, harm local solar businesses and workers, and slow Hawaii's progress toward its clean energy and resilience goals.

Mahalo for the opportunity to provide comments on this bill.

Paul Orem - CEO Photonworks Engineering LLP