

A Bill for an Act Relating to the Taxation of Non-Fossil Fuel Generated Electricity.  
*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that Act 102, Session Laws of Hawaii 1977, was enacted to promote the generation and provision of electric power generated from non-fossil fuels to public utility companies. The legislature finds that the revenues resulting from the sale of such power to public utility companies are subject to the full general excise tax of four per cent even though the resale of such power by the public utility company is subject to the public service company tax levied pursuant to chapter 239, Hawaii Revised Statutes. The legislature further finds Act 135, Session Laws of Hawaii 1978, provides geothermal resource producers a reduced excise tax rate.

The purpose of this Act is to reduce the general excise tax assessment on power generated from an alternate energy resource and sold to public utility companies for resale to customers.

SECTION 2. Chapter 237, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“Sec. 237- Assessment on non-fossil fuel generated electricity.** (a) Any other provision of the law to the contrary notwithstanding, the levy and assessment of the general excise tax on the gross proceeds from the sale of electric power generated from non-fossil renewable natural resources to a public utility company for resale to the public, shall be made only as a tax on the business of a producer, at the rate assessed producers, under section 237-13(2) (A).

(b) As used in this section, “alternate energy resource” means any non-fossil or non-nuclear natural resource, industrial waste, industrial process steam or heat, or agricultural waste or product within this State used or usable for the production of energy, and includes, but is not limited to, hydroelectric, solid waste, biomass, geothermal, solar, wind, ocean temperature differentials, waves, tides, or currents.”

SECTION 3. New statutory material is underscored.\*

SECTION 4. This Act shall take effect upon its approval.

(Approved May 21, 1980.)

\*The text has been edited pursuant to HRS §23G-16.5, authorizing omission of the brackets, bracketed material, and underscoring.