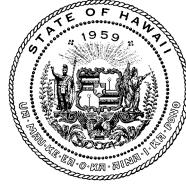


NEIL ABERCROMBIE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



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September 5, 2013

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2013-23

RE: Act 261, Session Laws of Hawaii 2013, Relating to Renewable Energy

On July 3, 2013, Governor Neil Abercrombie signed into law Senate Bill 19 S.D. 1, H.D. 2, C.D. 1, as Act 261, Session Laws of Hawaii 2013 (Act 261). Act 261 is effective upon its approval.

Act 261 amends Section 269-1, Hawaii Revised Statutes, by amending the definition of "public utility" to specifically exclude landlords or lessors who install renewable energy systems on their property and provide, sell, or transmit the power generated to an electric utility or to lessees or tenants on the person's property where the renewable energy system is located.

Please note that landlords or lessors who qualify for this exception, while not public utilities, are still taxpayers subject to the State's General Excise Tax; they are required to file returns and pay the tax in accordance with Chapter 237 on any gross income derived from the sale of the power generated from renewable energy systems installed on their property.

For more information about whether a taxpayer is considered a public utility, please contact the Public Utilities Commission.

For more information on filing General Excise Tax returns or Public Service Company Tax returns, please contact the Rules Office at 808-587-1577 or by e-mail at Tax.Rules.Office@hawaii.gov.

FREDERICK D. PABLO
Director of Taxation