

JAN 23 2015

A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAX.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to provide a general
2 excise tax exemption on gross proceeds arising from the
3 construction, sale, installation, service, repair, modification,
4 improvement, or lease of clean alternative fuel vehicles,
5 electric vehicle batteries, and electric vehicle infrastructure
6 for three and one-half years to encourage and accelerate the use
7 of clean alternative fuel vehicles, electric vehicle batteries,
8 and electric vehicle infrastructure.

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

12 "§237- Exemption for clean alternative fuel vehicles,
13 electric vehicle batteries, and electric vehicle infrastructure.

14 (a) This chapter shall not apply to gross proceeds received
15 from the construction, sale, installation, service, repair,
16 modification, improvement, or lease of:



1 (1) New passenger motor vehicles that use at least four
2 wheels, is designed for transporting no more than ten
3 passengers, and is exclusively powered by a clean
4 alternative fuel;

5 (2) Electric vehicle batteries; and

6 (3) Electric vehicle infrastructure.

7 (b) For purposes of this section:

8 "Battery charging station" means an electrical component
9 assembly or cluster of component assemblies designed to charge
10 electric vehicle batteries that meet or exceed state electrical
11 installation standards, codes, and rules.

12 "Battery exchange station" means a fully automated facility
13 that will enable an electric vehicle with an exchangeable
14 battery to enter a drive lane and exchange the depleted battery
15 with a fully charged battery through a fully automated process
16 that meets or exceeds state electrical installation standards,
17 codes, and rules.

18 "Clean alternative fuel" means natural gas, propane,
19 hydrogen, or electricity.

20 "Electric vehicle infrastructure" means structures,
21 machinery, and equipment necessary to support an electric



1 vehicle, including battery charging stations, rapid charging
2 stations, and battery exchange stations.

3 "Rapid charging station" means an industrial grade
4 electrical outlet that allows for faster recharging of electric
5 vehicle batteries through higher power levels that meet or
6 exceed state electrical installation standards, codes, and
7 rules.

8 (c) The seller shall keep records necessary for the
9 department of taxation to verify eligibility under this section.

10 (d) Sellers may make a tax exempt sale under this section
11 if the buyer provides the seller with an exemption certification
12 in a form and manner prescribed by the director of taxation.

13 The seller shall retain a copy of the certificate for the
14 seller's files.

15 (e) The director of taxation shall adopt rules, pursuant
16 to chapter 91, necessary to administer this section."

17 SECTION 3. If any provision of this Act, or the
18 application thereof to any person or circumstance, is held
19 invalid, the invalidity does not affect other provisions or
20 applications of the Act that can be given effect without the



1 invalid provision or application, and to this end the provisions
2 of this Act are severable.

3 SECTION 4. New statutory material is underscored.

4 SECTION 5. This Act, upon its approval, shall apply to
5 gross proceeds received after December 31, 2015; provided that
6 this Act shall be repealed on January 1, 2019.

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S.B. NO. 705

Report Title:

General Excise Tax; Exemption; Environment; Clean Alternative Fuel Vehicles; Electric Vehicle Batteries; Electric Vehicle Infrastructure

Description:

Provides a general excise tax exemption on gross proceeds received from the construction, sale, installation, service, repair, modification, improvement, or lease of clean alternative fuel vehicles, electric vehicle batteries, and electrical vehicle infrastructure. Repeals January 1, 2019.

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