

EXECUTIVE ORDER 26-02

(Clarifying Renewable Energy Technology System Credits in Tax Year 2026)

By the authority vested in me by the Constitution and laws of the State of Hawai'i, in order to elevate the wellness and resilience of our people, I, JOSH GREEN, M.D., Governor of the State of Hawai'i, hereby declare and order as follows:

WHEREAS, Article V, Section 6 of the Hawai'i Constitution provides that every "principal department shall be under the supervision of the governor"; and

WHEREAS, Hawai'i has established important emission reductions targets as part of the international effort to avoid the worst of climate change, and enacted laws to further these emissions reductions, such as sections 225P-5 and 260-92 et seq., Hawai'i Revised Statutes; and

WHEREAS, Hawai'i's Legislature has recognized climate change poses immediate and long-term threats to Hawai'i's public health, safety, natural resources, economic vitality, and welfare of the State's people and environment thereby warranting preemptive and protective action; and

WHEREAS, Executive Order 25-01 recognized that "distributed solar energy has been, and will continue to be, a leading contributor to the state's sustainability and resiliency goals," and that collective action is needed to "balance new renewable energy projects with affordability, reliability, land use, and resilience"; and

WHEREAS, Senate Bill 3125, enacted as Act 24 on May 21, 2026, made significant changes to the Renewable Energy Technologies Income Tax Credit (RETITC), including the imposition of an annual \$40,000,000 cap on allowable credits, retroactive to the beginning of taxable year 2026; and

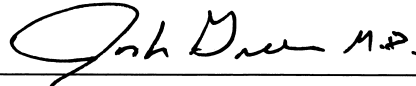
WHEREAS, the retroactivity of the RETITC annual cap presents a risk of litigation because it threatens to disrupt renewable energy investments undertaken prior to these changes taking effect;

NOW, THEREFORE, I, JOSH GREEN, M.D., Governor of the State of Hawai'i, pursuant to my authority under the Constitution and laws of the State of Hawai'i, do hereby declare and order the following:

1. The Department of Taxation shall issue appropriate guidance clarifying that a renewable energy technology system, as defined by section 235-12.5, Hawai'i Revised Statutes, placed into service in calendar year 2026, shall not be subject to the annual \$40,000,000 aggregate cap on allowable credits, provided the system was either completed before May 21, 2026 or the taxpayer can demonstrate to the satisfaction of the Hawai'i State Energy Office and the Department of Taxation that it reasonably relied on the ability to claim credits when it invested resources in furtherance of the financing, planning, designing, permitting or installation of the system prior to May 21,

2026. Nothing in this executive order shall be construed to allow a taxpayer to claim uncapped credits for a renewable energy technology system that does not satisfy the criteria above.
2. The Department of Taxation and Hawai'i State Energy Office shall cooperate fully on the implementation of the foregoing clarification and credit claim and apportionment process described in Act 24.
 3. The Department of Taxation may use temporary rules and other existing authorities as needed to effectuate this Executive Order.

Done at the State Capitol, Honolulu,
State of Hawai'i, this 8th day of
June 2026



JOSH GREEN, M.D.
Governor, State of Hawai'i

APPROVED AS TO FORM:

Anne E. Lopez

ANNE E. LOPEZ
Attorney General, State of Hawai'i