
A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

1 SECTION 1. Section 235-12.5, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) When the requirements of subsection (c) are met, each
4 individual or corporate resident taxpayer that files an
5 individual or corporate net income tax return for a taxable year
6 may claim a tax credit under this section against the Hawaii
7 state individual or corporate net income tax. The tax credit
8 may be claimed for every eligible renewable energy technology
9 system that is installed and placed in service by a taxpayer
10 during the taxable year. This credit shall be available for
11 systems installed and placed in service after June 30, 2003.

12 The tax credit may be claimed as follows:

13 (1) Solar thermal energy systems for:

14 (A) Single-family residential property: thirty-five
15 per cent of the actual cost or \$1,750, whichever
16 is less;



1 (B) Multi-family residential property: thirty-five
2 per cent of the actual cost or \$350 per unit,
3 whichever is less; and

4 (C) Commercial property: thirty-five per cent of the
5 actual cost or \$250,000, whichever is less;

6 (2) Wind-powered energy systems for:

7 (A) Single-family residential property: twenty per
8 cent of the actual cost or \$1,500, whichever is
9 less;

10 (B) Multi-family residential property: twenty per
11 cent of the actual cost or \$200 per unit,
12 whichever is less; and

13 (C) Commercial property: twenty per cent of the
14 actual cost or \$250,000, whichever is less; and

15 (3) Photovoltaic energy systems for:

16 (A) Single-family residential property: thirty-five
17 per cent of the actual cost or [~~\$1,750~~] \$7,000,
18 whichever is less;

19 (B) Multi-family residential property: thirty-five
20 per cent of the actual cost or \$350 per unit,
21 whichever is less; and



1 (C) Commercial property: thirty-five per cent of the
 2 actual cost or \$250,000, whichever is less;
 3 provided that multiple owners of a single system shall be
 4 entitled to a single tax credit; and provided further that the
 5 tax credit shall be apportioned between the owners in proportion
 6 to their contribution to the cost of the system.

7 In the case of a partnership, S corporation, estate, or
 8 trust, the tax credit allowable is for every eligible renewable
 9 energy technology system that is installed and placed in service
 10 by the entity. The cost upon which the tax credit is computed
 11 shall be determined at the entity level. Distribution and share
 12 of credit shall be determined pursuant to section 235-110.7(a)."


13 SECTION 2. Statutory material to be repealed is bracketed
 14 and stricken. New statutory material is underscored.

15 SECTION 3. This Act shall take effect upon its approval;
 16 provided that this Act shall apply to taxable years beginning
 17 after December 31, 2005.

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 B. Chawakami JAN 25 2006

Report Title:

Tax credits; Photovoltaic Energy Systems; Solar Energy

Description:

Increases the tax credit for photovoltaic energy systems for single-family residential property from 35% of the actual cost or \$1,750, whichever is less, to 35% of the actual cost or \$7,000, whichever is less.

