

JAN 23 2006

S.B. NO. 2125

A BILL FOR AN ACT

RELATING TO TAX CREDITS.

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

1 SECTION 1. The legislature finds that energy costs are
2 continuing to rise in the State of Hawaii. Additionally, the
3 legislature finds that energy use contributes to negative
4 environmental consequences, such as the emission of greenhouse
5 gases. According to a report by the Pew Center for Global
6 Climate Change, individual households are increasingly
7 considered part of the problem as home energy use is responsible
8 for about one-fifth of U.S. energy-related greenhouse emissions.
9 The legislature further finds that "Energy Star" products,
10 such as energy-efficient appliances, will save Hawaii residents
11 money and help to preserve the environment. Energy-efficient
12 choices can save families about a third on their energy bills
13 while significantly reducing greenhouse gas emissions.
14 According to the Environmental Protection Agency and the
15 Department of Energy, in 2004 alone, Americans, with the help of
16 Energy Star, saved enough energy to power 24 million homes and
17 avoid greenhouse gas emissions equivalent to those from 20



1 million cars – all while saving approximately \$10 billion in
2 energy costs.

3 The purpose of this Act is to provide a \$50 tax credit for
4 the aggregate purchase of at least \$300 in "Energy Star"
5 appliances for residential or commercial use.

6 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
7 amended by adding a new section to be appropriately designated
8 and to read as follows:

9 **"§235- Qualified energy conservation; income tax credit.**

10 (a) For taxable years beginning after December 31, 2006,
11 there shall be allowed to each taxpayer subject to the taxes
12 imposed by this chapter a qualified income tax credit for the
13 purchase of "Energy Star" products, which shall be available to
14 reduce the taxpayer's net income tax liability.

15 (b) In the case of a partnership, S corporation, estate,
16 or trust, the tax credit is allowable for products placed into
17 service by the entity. The cost upon which the tax credit is
18 computed shall be determined at the entity level. Distribution
19 and share of credit shall be determined by rules.

20 (c) The amount of the tax credit shall be \$50 and may be
21 claimed for the purchase of "Energy Star" products with an
22 aggregate retail price of \$300.



1 (d) If the tax credit claimed by the taxpayer under this
2 section exceeds the amount of the tax credit of the income tax
3 payments due, the excess of credit over payments shall be
4 refunded to the taxpayer; provided that the tax credit properly
5 claimed by a taxpayer who has no income tax liability shall be
6 paid to the taxpayer; and provided that no refunds or payments
7 on account of the tax credit allowed by this section shall be
8 made for amounts less than \$1.

9 (e) The director of taxation shall prepare such forms as
10 may be necessary to claim a credit under this section. The
11 director may also require the taxpayer to furnish information to
12 ascertain the validity of the claim for credit made under this
13 section.

14 (f) The department of taxation shall adopt rules pursuant
15 to chapter 91 necessary for the purposes of this chapter.

16 (g) As used in this section:

17 "Energy Star product" means a product designated and
18 labeled as such by the Environmental Protection Agency and the
19 Department of Energy through the Energy Star program."

20 SECTION 3. New statutory material is underscored.

21 SECTION 4. This Act shall take effect on July 1, 2006.

22



INTRODUCED BY:

Paul Lee

Richard...
Bela Hegre
Amber...



SB2125

Report Title:

Tax Credit; Energy Star Products

Description:

Provides a tax credit for the purchase of "Energy Star" designated and labeled products.

SB SMO 06-012

