
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. The legislature
3 further 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 United States energy-related greenhouse
9 emissions.

10 The legislature further finds that "Energy Star" products,
11 such as energy-efficient appliances, will save Hawaii residents
12 money and help to preserve the environment. Energy-efficient
13 choices can save families about a third on their energy bills
14 while significantly reducing greenhouse gas emissions.
15 According to the Environmental Protection Agency and the
16 Department of Energy, in 2004 alone, Americans, with the help of
17 Energy Star products, saved enough energy to power twenty-four
18 million homes and avoid greenhouse gas emissions equivalent to



1 emissions from twenty million cars, while saving approximately
2 \$10,000,000,00 in 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 products 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) There shall be allowed to each taxpayer subject to the
11 taxes imposed by this chapter a qualified income tax credit for
12 the purchase of "Energy Star" products.

13 (b) In the case of a partnership, S corporation, estate,
14 or trust, the tax credit applies to products placed into service
15 by the entity. The cost upon which the tax credit is computed
16 shall be determined at the entity level. Distribution and share
17 of the credit shall be determined by rule as provided under
18 subsection (f).

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



1 (d) If the tax credit claimed by the taxpayer under this
2 section exceeds the taxpayer's income tax liability, the excess
3 of credit over tax liability shall be refunded to the taxpayer;
4 provided that:

5 (1) A tax credit properly claimed by a taxpayer who has no
6 income tax liability shall be paid to the taxpayer;
7 and

8 (2) No refunds or payments on account of the tax credit
9 allowed by this section shall be made for amounts less
10 than \$1.

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

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

18 (g) As used in this section:

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

22 SECTION 3. New statutory material is underscored.



1 SECTION 4. This Act, upon its approval, shall apply to
2 taxable years beginning after December 31, 2005.



SB2125, SD2

Report Title:

Tax Credit; Energy Star Products

Description:

Provides a tax credit for the purchase of "Energy Star" designated and labeled products. (SD2)

