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# A BILL FOR AN ACT

RELATING TO TAX CREDITS.

**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           "§235-12.5 Renewable energy technologies; income tax  
4 credit. (a) When the requirements of subsection (c) are met,  
5 each individual or corporate resident taxpayer that files an  
6 individual or corporate net income tax return for a taxable year  
7 may claim a tax credit under this section against the Hawaii  
8 state individual or corporate net income tax. The tax credit  
9 may be claimed for every eligible renewable energy technology  
10 system that is installed and placed in service by a taxpayer  
11 during the taxable year. This credit shall be available for  
12 systems installed and placed in service after June 30, 2003.

13 The tax credit may be claimed as follows:

14           (1) Solar thermal energy systems for:

15                   (A) Single-family residential property: thirty-five  
16                           per cent of the actual cost or \$2,250, whichever  
17                           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 \$500,000, whichever is less; and
  - 15 (3) Photovoltaic energy systems for:
    - 16 (A) Single-family residential property: [~~thirty-~~
    - 17 ~~five~~] forty per cent of the actual cost or
    - 18 [~~\$5,000~~] \$5,250, whichever is less;
    - 19 (B) Multi-family residential property: [~~thirty-five~~]
    - 20 forty per cent of the actual cost or [~~\$350~~] \$365
    - 21 per unit, whichever is less; and




1 (C) Commercial property: [~~thirty-five~~] forty per  
 2 cent of the actual cost or [~~\$500,000~~] \$525,000,  
 3 whichever is less;  
 4 provided that multiple owners of a single system shall be  
 5 entitled to a single tax credit; and provided further that the  
 6 tax credit shall be apportioned between the owners in proportion  
 7 to their contribution to the cost of the system.

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

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 Statutory material to be repealed is bracketed  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

16 SECTION 3. This Act shall take effect on July 1, 2007.  
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INTRODUCED BY:

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**Report Title:**

Taxation

**Description:**

Increases the tax credit for photovoltaic systems.

