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# A BILL FOR AN ACT

RELATING TO LOSS MITIGATION.

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

1           SECTION 1. Chapter 235, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§235-    Wind resistive devices tax credit. (a) There  
5 shall be allowed to each qualified taxpayer subject to the taxes  
6 imposed by this chapter, an income tax credit that shall be  
7 deductible from the taxpayer's net income tax liability, if any,  
8 imposed by this chapter for the taxable year in which the tax  
9 credit is properly claimed.

10           The amount of the credit shall be thirty-five per cent of  
11 the costs incurred during the taxable year for the purchase and  
12 installation of wind resistive devices in a noncommercial  
13 dwelling located in Hawaii that is owned by the taxpayer.

14           A tax credit may be claimed only for wind resistive devices  
15 that are prescribed and approved by the director of taxation.

16           The director of taxation may also exclude from the tax credit,



1 wind resistive devices that were installed due to a building  
2 code requirement.

3 (b) The credit allowed under this section shall be claimed  
4 against the net income tax liability for the taxable year.

5 (c) If the tax credit under this section exceeds the  
6 taxpayer's net income tax liability in a given taxable year, the  
7 excess of the credit over liability may be used as a credit  
8 against the taxpayer's net income tax liability in subsequent  
9 taxable years until exhausted. All claims for the tax credit  
10 under this section, including amended claims, shall be filed on  
11 or before the end of the twelfth month following the close of  
12 the taxable year for which the credit may be claimed. Failure  
13 to comply with this subsection shall constitute a waiver of the  
14 right to claim the credit.

15 (d) The director of taxation shall prepare any forms that  
16 may be necessary to claim a tax credit under this section. The  
17 director may also require the taxpayer to furnish reasonable  
18 information to ascertain the validity of the claim for credit  
19 made under this section and may adopt rules necessary to  
20 effectuate the purposes of this section pursuant to chapter 91.

21 (e) The tax credit allowed under this section shall be  
22 available for taxable years beginning after December 31, 2008.



1           (f) For the purposes of this section:  
2           "Net income tax liability" means net income tax liability  
3 reduced by all other credits allowed under this chapter.  
4           "Wind resistive devices" means devices and techniques that  
5 increase a building's or structure's resistance to damage from  
6 wind forces and shall include:  
7           (1) Uplift restraint ties at roof ridges and roof framing  
8           members to wall or beam supports;  
9           (2) Additional fastening of roof sheathing and roof  
10           decking for high wind uplift restraint;  
11           (3) Impact and pressure resistant exterior opening  
12           protective devices;  
13           (4) Wall to foundation uplift restraint connections  
14           strengthening for wood foundation posts on footings;  
15           and  
16           (5) A residential safe room.  
17 The description, specifications, guidelines, and requirements  
18 for these wind resistive devices shall be further developed and  
19 determined by the director of taxation in the director's sole  
20 discretion. The director, in the director's sole discretion,  
21 may amend, narrow, or expand the definitions, descriptions,  
22 specifications, and requirements of the wind resistive devices."



1 SECTION 2. Any unencumbered funds remaining in the loss  
2 mitigation grant fund established pursuant to section  
3 431:22-102, Hawaii Revised Statutes, shall lapse into the Hawaii  
4 hurricane relief fund established pursuant to section 431P-2,  
5 Hawaii Revised Statutes, in accordance with section 40-67,  
6 Hawaii Revised Statutes.

7 SECTION 3. To the extent requested by the department of  
8 taxation, all records, equipment, machines, files, books,  
9 papers, documents, and technical specifications relating to wind  
10 resistive devices pursuant to chapter 431:22, Hawaii Revised  
11 Statutes, in the care, custody, and control of the insurance  
12 commissioner shall be transferred to the department of taxation  
13 upon the effective date of this Act.

14 SECTION 4. If an office or position held by an officer or  
15 employee having tenure is abolished by this Act, the officer or  
16 employee shall not thereby be separated from public employment,  
17 but shall remain in the employment of the State with the same  
18 pay and classification and shall be transferred to some other  
19 office or position for which the officer or employee is eligible  
20 under the personnel laws of the State as determined by the head  
21 of the department or the governor.



1 SECTION 5. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$ or so  
3 much thereof as may be necessary for fiscal year 2008-2009 for  
4 the department of taxation to contract the services of a  
5 consulting structural engineer and to fund a public awareness  
6 program.

7 The sum appropriated shall be expended by the department of  
8 taxation for the purposes of this Act.

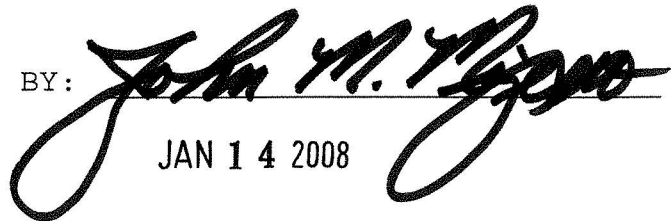
9 SECTION 6. Chapter 431, Article 22, Hawaii Revised  
10 Statutes, is repealed.

11 SECTION 7. New statutory material is underscored.

12 SECTION 8. This Act shall take effect on July 1, 2008;  
13 provided that section 1 shall apply to taxable years beginning  
14 after December 31, 2008, and sections 2, 3, 4, and 6 shall take  
15 effect on January 1, 2009.

16

INTRODUCED BY:

  
JAN 14 2008



**Report Title:**

Tax Credit; Wind Resistive Devices

**Description:**

Provides a tax credit for individuals who install wind resistive devices, as defined by the director of taxation, in a noncommercial dwelling located in Hawaii that is owned by the taxpayer. Repeals the loss mitigation grant program. Makes an appropriation.

