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## A BILL FOR AN ACT

RELATING TO ENERGY.

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

1           SECTION 1. Chapter 46, Hawaii Revised Statutes, is amended  
2 by adding a new section to be appropriately designated and to  
3 read:

4           "§46-     County building permits; solar energy devices  
5 required for new residential construction. Beginning January 1,  
6 2009, each county agency that issues building, construction, or  
7 development-related permits for new residential single-family  
8 residences, condominiums, and townhouses, shall require the  
9 installation of solar energy devices to heat water; except when  
10 the agency determines the installation to be:

11           (1) Impracticable due to building design or location of  
12           the building; or

13           (2) Cost prohibitive;  
14 based upon the completion and submission of an application for  
15 an exemption in a manner and form prescribed by the agency."

16           As used in this section, "solar energy devices" means any  
17 identifiable facility, equipment, apparatus, or the like,  
18 including a photovoltaic cell application, that is applicable to



1 a single-family residential dwelling or townhouse and makes use  
2 of solar energy for heating, cooling, or reducing the use of  
3 other types of energy dependent upon fossil fuel for  
4 generation."

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

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

16 The tax credit may be claimed as follows:

17 (1) Solar thermal energy systems installed in single  
18 family and multi-family residential properties before  
19 January 1, 2009, for:

20 (A) Single-family residential property: thirty-five  
21 per cent of the actual cost or [~~\$2,250,~~] \$3,250,  
22 whichever is less;



- 1 (B) Multi-family residential property: thirty-five  
2 per cent of the actual cost or [~~\$350~~] \$450 per  
3 unit, 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-five  
17 per cent of the actual cost or \$5,000, whichever  
18 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 \$500,000, 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 3. Statutory material to be repealed is bracketed  
 14 and stricken. New statutory material is underscored.

15 SECTION 4. This Act shall take effect upon its approval.  
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INTRODUCED BY:

*[Signature]*  
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*Welo Carroll*  
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*Annunzio*  
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*Jyla Berg*  
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**Report Title:**

Solar Energy Devices; Residential Construction

**Description:**

Requires the installation of solar energy devices in all new residential construction, beginning January 1, 2009. Increases limits for renewable energy income tax credit to systems installed and placed in service, in single family and multi-family residential properties before January 1, 2009.

