

JAN 22 2007

A BILL FOR AN ACT

RELATING TO INCOME TAX CREDITS FOR PURCHASES OF ELECTRIC
VEHICLES ON LANAI.

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- Electric vehicle tax credit, purchase plan, and
5 impact study. (a) Each individual and corporate resident tax
6 payer on the island of Lanai who files an individual or
7 corporate net income tax return for a taxable year, may claim a
8 tax credit under this section against the Hawaii state
9 individual or corporate net income tax. The tax credit may be
10 claimed for purchases of electric vehicles with a photovoltaic
11 component; provided that the tax credit shall apply only to the
12 actual cost of the electric vehicle and shall not include the
13 cost of consumer incentive premiums unrelated to the operation
14 of the vehicle. The credit shall be claimed against net income
15 tax liability for the year in which the vehicle was purchased
16 and placed in use. Tax credits which exceed the taxpayer's



1 income tax liability may be used as a credit against the
2 taxpayer's income tax liability in subsequent years until
3 exhausted.

4 (b) The director of taxation shall prepare such forms as
5 may be necessary to claim a credit under this section, may
6 require proof of the claim for the tax credit, and may adopt
7 rules pursuant to chapter 91.

8 (c) All of the provisions relating to assessments and
9 refunds under this chapter and under section 231-23(c)(1) shall
10 apply to the tax credit under this section.

11 (d) Claims for the tax credit under this section,
12 including any amended claims, shall be filed on or before the
13 end of the twelfth month following the taxable year for which
14 the credit may be claimed. [L 1982, c 134, §1]

15 (e) The tax credit allowed under this section shall be
16 available for taxable years beginning after December 31, 2006.

17 (f) The department of business, economic development, and
18 tourism and the department of accounting and general services'
19 state procurement office shall develop a group purchase plan to
20 enable individuals and businesses on the island of Lanai to buy
21 photovoltaic electric vehicles at the lowest possible price.



1 (g) The department of business, economic development, and
 2 tourism shall conduct a two-year evaluation of the Lanai
 3 electric vehicle tax credit program to determine its effect on
 4 the use of petroleum-based fuel on the island. The department
 5 shall report the results of its evaluation to the legislature by
 6 January 1, 2009 and make recommendations regarding the
 7 feasibility of extending the program to other islands.

8 (h) As used in this section, "electric vehicle with
 9 photovoltaic component" means a ground vehicle propelled by a
 10 motor powered by electrical energy, at least some of which has
 11 been converted from solar energy."

12 SECTION 2. New statutory material is underscored.

13 SECTION 3. This Act shall take effect on July 1, 2007.

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INTRODUCED BY:

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Report Title:

Tax credits; purchase of electric vehicles on Lanai

Description:

Provides an income tax credit for taxpayers on the island of Lanai who purchase electric vehicles with photovoltaic component. Requires the Department of Business, Economic Development, and Tourism and the Department of Accounting and General Services' State Procurement Office to develop a group purchase plan for taxpayers who buy such vehicles. Requires the Department of Business, Economic Development, and Tourism to make a two year evaluation of the program, and report to the Legislature by January 1, 2009 regarding the feasibility of extending the program to other islands.

