

JAN 16 2008

A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY TECHNOLOGIES TAX CREDIT.

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

1 SECTION 1. Section 235-12.5, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending subsection (a) to read:

4 "(a) When the requirements of subsection (c) are met, each
5 individual or corporate taxpayer that files an individual or
6 corporate net income tax return for a taxable year may claim a
7 refundable 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 in the State by a
11 taxpayer during the taxable year. This credit shall be
12 available for systems installed and placed in service in the
13 State after June 30, 2003. The tax credit may be claimed as
14 follows:

15 (1) Solar thermal energy systems for:



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

4 (B) Multi-family residential property: thirty-five
5 per cent of the actual cost or \$350 per unit,
6 whichever is less; and

7 (C) Commercial property: thirty-five per cent of the
8 actual cost or \$250,000, whichever is less;

9 (2) Wind-powered energy systems for:

10 (A) Single-family residential property: twenty per
11 cent of the actual cost or \$1,500, whichever is
12 less;

13 (B) Multi-family residential property: twenty per
14 cent of the actual cost or \$200 per unit,
15 whichever is less; and

16 (C) Commercial property: twenty per cent of the
17 actual cost or \$500,000, whichever is less; and

18 (3) Photovoltaic energy systems for:

19 (A) Single-family residential property: thirty-five
20 per cent of the actual cost or \$5,000, whichever
21 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 \$500,000, whichever is less;

6 provided that multiple owners of a single system shall be
7 entitled to a single tax credit; and provided further that the
8 tax credit shall be apportioned between the owners in proportion
9 to their contribution to the cost of the system.

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

17 2. By amending subsection (e) to read:

18 "(e) If the tax credit under this section exceeds the
19 taxpayer's income tax liability, the excess of the credit over
20 liability may be used as a credit against the taxpayer's income
21 tax liability in subsequent years until exhausted[~~[-]~~]; provided
22 that the tax credit properly claimed by a taxpayer who has no



1 income tax liability shall be paid to the taxpayer. All claims
2 for the tax credit under this section, including amended claims,
3 shall be filed on or before the end of the twelfth month
4 following the close of the taxable year for which the credit may
5 be claimed. Failure to comply with this subsection shall
6 constitute a waiver of the right to claim the credit."

7 SECTION 2. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 3. This Act shall take effect upon its approval
10 and shall apply to taxable years beginning after December 31,
11 2007.

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Report Title:

Renewable Energy Technologies; Tax Credit

Description:

Makes the renewable energy technologies tax credit a refundable tax credit.

