

JAN 13 2008

A BILL FOR AN ACT

RELATING TO INCOME TAX.

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 taxpayer that files an individual
6 or corporate net income tax return for a taxable year may claim
7 a tax credit under this section against the Hawaii state
8 individual or corporate net income tax. The tax credit may be
9 claimed for every eligible renewable energy technology system
10 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~~]
11 thirty-five per cent of the actual cost or
12 \$1,500, whichever is less;
- 13 (B) Multi-family residential property: [~~twenty~~]
14 thirty-five per cent of the actual cost or \$200
15 per unit, whichever is less; and
- 16 (C) Commercial property: [~~twenty~~] thirty-five per
17 cent of the actual cost or \$500,000, whichever is
18 less; and
- 19 (3) Photovoltaic energy systems for:
- 20 (A) Single-family residential property: thirty-five
21 per cent of the actual cost or \$5,000, whichever
22 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 SECTION 2. Statutory material to be repealed is bracketed
 18 and stricken. New statutory material is underscored.

19 SECTION 3. This Act, upon its approval, shall apply to
 20 taxable years beginning after December 31, 2007.

21 *Amil J. Jee*

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Report Title:

Income Tax Credit; Wind-Powered Energy System

Description:

Increases the income tax credit for wind-powered energy systems to thirty-five per cent of the actual cost or a maximum amount, whichever is less.

