
A BILL FOR AN ACT

RELATING TO ENERGY RESOURCES.

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

1 SECTION 1. The legislature finds that solar energy devices
2 for heating water are a great cost saver for homeowners. The
3 monthly savings in electricity expenses would significantly
4 offset the cost of monthly mortgage payments. If every home has
5 a solar energy water heater, then the State's dependence on
6 imported oil would likewise be significantly reduced over time.

7 The purpose of this Act is to:

- 8 (1) Require the installation of solar energy devices for
9 heating water in all new residential construction,
10 beginning January 1, 2009; and
11 (2) Expands the existing income tax credit for solar
12 thermal energy systems installed in new homes and
13 retrofitted in existing homes.

14 SECTION 2. Chapter 196, Hawaii Revised Statutes, is
15 amended by adding a new section to be appropriately designated
16 and to read as follows:



1 "§196- Solar energy devices required for new residential
 2 construction. (a) Beginning January 1, 2009, solar energy
 3 devices, as provided in section 196-7, shall be installed to
 4 heat water, in the construction of every new residential single-
 5 family residence, condominium, and townhouse, except when:

- 6 (1) Installation is impracticable due to building design
 7 or location of the building; or
 8 (2) Installation is cost prohibitive;
 9 as determined by the county building code authority upon
 10 application for an exemption.

11 (b) Installation of solar energy devices shall be in
 12 accordance with Hawaiian Electric Company's 100-point
 13 installation inspection or a comparable quality assurance
 14 standard."

15 SECTION 3. Section 235-12.5, Hawaii Revised Statutes, is
 16 amended by amending subsection (a) to read as follows:

17 "(a) When the requirements of subsection (c) are met, each
 18 individual or corporate resident taxpayer that files an
 19 individual or corporate net income tax return for a taxable year
 20 may claim a tax credit under this section against the Hawaii
 21 state individual or corporate net income tax. The tax credit
 22 may be claimed for every eligible renewable energy technology



1 system that is installed and placed in service by a taxpayer
2 during the taxable year. This credit shall be available for
3 systems installed and placed in service in existing and newly
4 constructed homes after June 30, 2003. The tax credit may be
5 claimed as follows:

6 (1) Solar thermal energy systems installed or retrofitted
7 in single family and multi-family residential
8 properties for:

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

12 (B) Multi-family residential property: thirty-five
13 per cent of the actual cost or [~~\$350~~] \$450 per
14 unit, whichever is less; and

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

17 (2) Wind-powered energy systems for:

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



- 1 (B) Multi-family residential property: twenty per
- 2 cent of the actual cost or \$200 per unit,
- 3 whichever is less; and
- 4 (C) Commercial property: twenty per cent of the
- 5 actual cost or \$500,000, whichever is less; and
- 6 (3) Photovoltaic energy systems for:
 - 7 (A) Single-family residential property: thirty-five
 - 8 per cent of the actual cost or \$5,000, whichever
 - 9 is less;
 - 10 (B) Multi-family residential property: thirty-five
 - 11 per cent of the actual cost or \$350 per unit,
 - 12 whichever is less; and
 - 13 (C) Commercial property: thirty-five per cent of the
 - 14 actual cost or \$500,000, whichever is less;
- 15 provided that multiple owners of a single system shall be
- 16 entitled to a single tax credit; and provided further that the
- 17 tax credit shall be apportioned between the owners in proportion
- 18 to their contribution to the cost of the system.

19 In the case of a partnership, S corporation, estate, or

20 trust, the tax credit allowable is for every eligible renewable

21 energy technology system that is installed and placed in service

22 by the entity. The cost upon which the tax credit is computed



1 shall be determined at the entity level. Distribution and share
2 of credit shall be determined pursuant to section 235-110.7(a)."

3 SECTION 4. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 5. This Act shall take effect on July 1, 2007;
6 provided that the amendments made to section 235-12.5, Hawaii
7 Revised Statutes, by section 3 shall apply to taxable years
8 beginning after December 31, 2008.



Report Title:

Solar Energy Devices; Residential Construction

Description:

Requires the installation of solar energy devices to heat water in residential properties, 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. (SD1)

