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

9 The purpose of this Act is to:

- 10 (1) Require the installation of solar energy or comparable
11 renewable energy devices for heating water in all new
12 residential construction; and
- 13 (2) Expands the existing income tax credit for solar
14 thermal energy systems installed in new homes and
15 retrofitted in existing homes.



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

4 "§196- Solar energy or comparable renewable energy
5 devices required for new residential construction. (a)
6 Beginning January 1, , solar energy or comparable renewable
7 energy devices shall be installed to heat water, in the
8 construction of every new residential single-family residence,
9 condominium, and townhouse, except when:

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

15 (b) Installation of solar energy or comparable renewable
16 energy devices shall be in accordance with Hawaiian Electric
17 Company's 100-point installation inspection or a comparable
18 quality assurance standard."

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

21 "(a) When the requirements of subsection (c) are met, each
22 individual or corporate resident taxpayer that files an



1 individual or corporate net income tax return for a taxable year
2 may claim a tax credit under this section against the Hawaii
3 state individual or corporate net income tax. The tax credit
4 may be claimed for every eligible renewable energy technology
5 system that is installed and placed in service by a taxpayer
6 during the taxable year. This credit shall be available for
7 systems installed and placed in service in existing and newly
8 constructed homes after June 30, 2003. The tax credit may be
9 claimed as follows:

10 (1) Solar thermal energy systems installed or retrofitted
11 in single family and multi-family residential
12 properties for:

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

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

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

21 (2) Wind-powered energy systems for:



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

1 In the case of a partnership, S corporation, estate, or
2 trust, the tax credit allowable is for every eligible renewable
3 energy technology system that is installed and placed in service
4 by the entity. The cost upon which the tax credit is computed
5 shall be determined at the entity level. Distribution and share
6 of credit shall be determined pursuant to section 235-110.7(a)."

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

9 SECTION 5. This Act shall take effect on July 1, 2040;
10 provided that the amendments made to section 235-12.5, Hawaii
11 Revised Statutes, by section 3 shall apply to taxable years
12 beginning after December 31, .



REPORT Title:

Solar Energy Devices; Residential Construction

Description:

Requires the installation of solar energy or comparable renewable 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. (SD2)

