
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 homes originally
15 constructed prior to January 1, 2009.



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, 2009, 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 a
14 letter submitted by the homeowner from an architect or engineer
15 licensed under chapter 464 to the effect that paragraph (1) or
16 (2) is applicable and the reasons therefore.

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



1 (c) The director of business, economic development, and
2 tourism shall adopt rules pursuant to chapter 91 necessary for
3 purposes of this section."

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

6 "(a) When the requirements of subsection (c) are met, each
7 individual or corporate resident taxpayer that files an
8 individual or corporate net income tax return for a taxable year
9 may claim a tax credit under this section against the Hawaii
10 state individual or corporate net income tax. The tax credit
11 may be claimed for every eligible renewable energy technology
12 system that is installed and placed in service by a taxpayer
13 during the taxable year. This credit shall be available for
14 systems installed and placed in service after June 30, 2003.
15 The tax credit may be claimed as follows:

16 (1) Solar thermal energy systems [~~for~~] installed in:

17 (A) Single-family residential property: thirty-five
18 per cent of the actual cost or \$2,250, whichever
19 is less; provided that beginning July 1, 2007,
20 the limit shall be raised to \$3,250 and shall
21 apply to residences originally constructed prior
22 to January 1, 2009;



- 1 (B) Multi-family residential property: thirty-five
2 per cent of the actual cost or \$350 per unit,
3 whichever is less; [~~and~~] provided that beginning
4 July 1, 2007, the limit shall be raised to \$450
5 per unit and shall apply to residences originally
6 constructed prior to January 1, 2009; 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 by the entity. The cost upon which the tax credit is computed
14 shall be determined at the entity level. Distribution and share
15 of credit shall be determined pursuant to section 235-110.7(a)."

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 Statutory material to be repealed is bracketed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

18 SECTION 5. This Act shall take effect on July 1, 2050;
19 provided that the amendments made to section 235-12.5, Hawaii
20 Revised Statutes, by section 3 shall apply to taxable years
21 beginning after December 31, 2007, and shall apply to systems
22 installed after June 30, 2007.



Report Title:

Solar Energy Devices; Residential Construction

Description:

Requires the installation of solar energy or comparable renewable energy devices to heat water in newly constructed residential properties. Increases limits for renewable energy income tax credit to systems installed and placed in service, in single family and multi-family residential properties constructed prior to 1/1/09. Eff 7/1/2050. (SD3)

