
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Chapter 235, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§235-A Renewable energy technology manufacturer; income
5 tax credit. (a) There shall be allowed to each qualified
6 taxpayer subject to the taxes imposed by this chapter, an income
7 tax credit which shall be deductible from the taxpayer's net
8 income tax liability, if any, imposed by this chapter for the
9 taxable year in which the credit is properly claimed. The
10 amount of the credit shall be per cent of qualified
11 production costs.

12 In the case of a partnership, S corporation, estate, or
13 trust, the cost upon which the tax credit is computed shall be
14 determined at the entity level.

15 (b) For purposes of this section:

16 "Manufacture" means the production of renewable energy
17 technology devices through the use of labor and machinery.



1 "Qualified production costs" means the cost of payroll and
2 materials used in the manufacture of renewable energy technology
3 devices.

4 "Qualified taxpayer" means a manufacturer of renewable
5 energy technologies.

6 "Renewable energy technologies" means a system that
7 captures and converts a renewable source of energy, such as
8 wind, wave, geothermal, heat (solar thermal), or light
9 (photovoltaic) from the sun into:

10 (1) A usable source of thermal or mechanical energy;

11 (2) Electricity; or

12 (3) Fuel.

13 (c) If the tax credit under this section exceeds the
14 taxpayer's net income tax liability, the amount of the excess
15 may be claimed in subsequent years until exhausted; provided
16 that no refund or payment on account of the tax credit allowed
17 by this section shall be made for amounts less than \$1.

18 (d) Every claim, including amended claims, for the tax
19 credit under this section shall be filed on or before the end of
20 the twelfth month following the close of the taxable year for
21 which the tax credit may be claimed. Failure to meet the filing



1 requirements of this subsection shall constitute a waiver of the
2 right to claim the tax credit.

3 (e) The direction of taxation:

4 (1) Shall prepare forms as may be necessary to claim
5 a tax credit under this section;

6 (2) May require proof of the claim for the tax
7 credit; and

8 (3) May adopt rules pursuant to chapter 91 to
9 effectuate the purposes of this section."

10 SECTION 2. New statutory material is underscored.

11 SECTION 3. This Act shall take effect upon its approval
12 and shall apply to taxable years beginning after December 31,
13 2008.

INTRODUCED BY:

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Report Title:

Taxation

Description:

Establishes a non-refundable tax credit for the manufacture of renewable energy technology devices.

