
A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY TECHNOLOGIES.

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

1 SECTION 1. Section 235-12.5, Hawaii Revised Statutes, is
2 amended 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~~] state by
11 a taxpayer during the taxable year. This credit shall be
12 available for systems installed and placed in service in the
13 [~~State~~] state after June 30, 2003. The tax credit may be
14 claimed as follows:
15 (1) Solar thermal energy systems for:
16 (A) Single-family residential property for which a
17 building permit was issued prior to January 1,



- 1 2010: thirty-five per cent of the actual cost or
2 \$2,250, whichever is less;
- 3 (B) Multi-family residential property: thirty-five
4 per cent of the actual cost or \$350 per unit,
5 whichever is less; and
- 6 (C) Commercial property: thirty-five per cent of the
7 actual cost or \$250,000, whichever is less;
- 8 (2) Wind-powered energy systems for:
- 9 (A) Single-family residential property: twenty per
10 cent of the actual cost or \$1,500, whichever is
11 less;
- 12 (B) Multi-family residential property: twenty per
13 cent of the actual cost or \$200 per unit,
14 whichever is less; and
- 15 (C) Commercial property: twenty per cent of the
16 actual cost or \$500,000, whichever is less; and
- 17 (3) Photovoltaic energy systems for:
- 18 (A) Single-family residential property: thirty-five
19 per cent of the actual cost or \$5,000, whichever
20 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 (b) For the purposes of this section:

18 "Actual cost" means costs related to the renewable energy
19 technology systems under subsection (a), including accessories
20 and installation, but not including the cost of consumer
21 ~~incentive premiums unrelated to the operation of the system or~~



1 offered with the sale of the system and costs for which another
2 credit is claimed under this chapter.

3 "Renewable energy technology system" means a new system
4 that captures and converts a renewable source of energy, such as
5 wind, heat (solar thermal), or light (photovoltaic) from the sun
6 into:

- 7 (1) A usable source of thermal or mechanical energy;
- 8 (2) Electricity; or
- 9 (3) Fuel.

10 "Solar or wind energy system" means any identifiable
11 facility, equipment, apparatus, or the like that converts
12 insolation or wind energy to useful thermal or electrical energy
13 for heating, cooling, or reducing the use of other types of
14 energy that are dependent upon fossil fuel for their generation.

15 (c) For taxable years beginning after December 31, 2005,
16 the dollar amount of any utility rebate shall be deducted from
17 the cost of the qualifying system and its installation before
18 applying the state tax credit.

19 (d) The director of taxation shall prepare any forms that
20 may be necessary to claim a tax credit under this section,
21 including forms identifying the technology type of each tax
22 credit claimed under this section, whether for solar thermal,



1 photovoltaic from the sun, or wind. The director may also
2 require the taxpayer to furnish reasonable information to
3 ascertain the validity of the claim for credit made under this
4 section and may adopt rules necessary to effectuate the purposes
5 of this section pursuant to chapter 91.

6 (e) [~~If~~] Except as provided in subsection (f), if the tax
7 credit under this section exceeds the taxpayer's income tax
8 liability, the excess of the credit over liability may be used
9 as a credit against the taxpayer's income tax liability in
10 subsequent years until exhausted. All claims for the tax credit
11 under this section, including amended claims, shall be filed on
12 or before the end of the twelfth month following the close of
13 the taxable year for which the credit may be claimed. Failure
14 to comply with this subsection shall constitute a waiver of the
15 right to claim the credit.

16 (f) If the individual resident taxpayer is sixty years old
17 or older and the tax credit claimed by the taxpayer under this
18 section exceeds the amount of the income tax payments due from
19 the taxpayer, the excess of credit over the payments due shall
20 be refunded to the taxpayer; provided that the tax credit
21 properly claimed by a taxpayer who has no income tax liability
22 shall be paid to the taxpayer; and provided further that no



1 refunds or payments on account of the tax credit allowed by this
2 section shall be made for amounts less than \$1.

3 ~~[(f)]~~ (g) By or before December, 2005, to the extent
4 feasible, using existing resources to assist the energy-
5 efficiency policy review and evaluation, the department shall
6 assist with data collection on the following:

7 (1) The number of renewable energy technology systems that
8 have qualified for a tax credit during the past year
9 by:

10 (A) Technology type (solar thermal, photovoltaic from
11 the sun, and wind); and

12 (B) Taxpayer type (corporate and individual); and

13 (2) The total cost of the tax credit to the State during
14 the past year by:

15 (A) Technology type; and

16 (B) Taxpayer type.

17 ~~[(g)]~~ (h) For systems installed and placed in service in
18 2009, no residential home developer shall be entitled to claim
19 the credit under subsections (a) (1) (A), (a) (2) (A), and
20 (a) (3) (A). A residential home developer is defined as a person
21 who holds more than one residential dwelling for sale as
22 inventory."

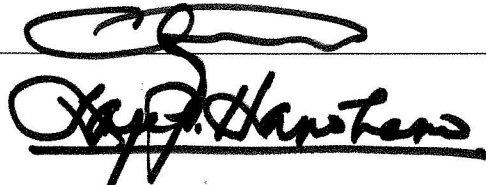



1 SECTION 2. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 3. This Act shall take effect upon its approval
4 and shall apply to taxable years beginning after December 31,
5 2008.

6

INTRODUCED BY:

JAN 27 2009



Report Title:

Renewable energy technologies; income tax credit; refund

Description:

Entitles taxpayers over the age of 60 to a refundable tax credit, provided the amount is at least \$1.

