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## A BILL FOR AN ACT

RELATING TO PHOTOVOLTAIC ENERGY SYSTEMS.

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

1           SECTION 1.   Section 235-12.5, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

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

14           (1)   Solar thermal energy systems for:

15                   (A)   Single-family residential property for which a  
16                           building permit was issued prior to January 1,  
17                           2010:  thirty-five per cent of the actual cost or  
18                           \$2,250, whichever 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 \$250,000, whichever is less;
- 6       (2) Wind-powered energy systems for:
- 7           (A) Single-family residential property: twenty per
- 8                     cent of the actual cost or \$1,500, whichever is
- 9                     less;
- 10          (B) Multi-family residential property: twenty per
- 11                     cent of the actual cost or \$200 per unit,
- 12                     whichever is less; and
- 13          (C) Commercial property: twenty per cent of the
- 14                     actual cost or \$500,000, whichever is less; and
- 15       (3) Photovoltaic energy systems for:
- 16           (A) Single-family residential property: thirty-five
- 17                     per cent of the actual cost or [~~\$5,000,~~] \$40,000,
- 18                     whichever is less;
- 19          (B) Multi-family residential property: thirty-five
- 20                     per cent of the actual cost or \$350 per unit,
- 21                     whichever is less; and



1 (C) Commercial property: thirty-five per cent of the  
2 actual cost or \$500,000, whichever is less;  
3 provided that multiple owners of a single system shall be  
4 entitled to a single tax credit; and provided further that the  
5 tax credit shall be apportioned between the owners in proportion  
6 to their contribution to the cost of the system.

7 In the case of a partnership, S corporation, estate, or  
8 trust, the tax credit allowable is for every eligible renewable  
9 energy technology system that is installed and placed in service  
10 in the State by the entity. The cost upon which the tax credit  
11 is computed shall be determined at the entity level.  
12 Distribution and share of credit shall be determined pursuant to  
13 section 235-110.7(a)."

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

16 SECTION 3. This Act shall take effect upon its approval  
17 and shall apply to taxable years beginning after December 31,  
18 2008.

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INTRODUCED BY: Denny Colson

JAN 26 2009



**Report Title:**

Photovoltaic Energy Systems; Tax Credits

**Description:**

Raises the maximum allowable tax credit on photovoltaic energy systems installed on single-family residential properties to \$40,000.

