
A BILL FOR AN ACT

RELATING TO A TAX CREDIT FOR THE PURCHASE OF ELECTRIC VEHICLES.

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

1 SECTION 1. Consistent with public policy, the legislature
2 finds that the use of electric vehicles is in the public
3 interest and promotes the general welfare of the people of this
4 State insofar as it addresses serious concerns for our
5 environment and our State's and nation's dependence on
6 petroleum-based fuels as a source of energy. The legislature
7 further finds that successful encouragement of the use of
8 electric vehicles will result in the reduction of the State's
9 dependence on petroleum-based fuels and the addressing of the
10 environmental impacts caused by petroleum-based fuels. However,
11 because the cost of electric vehicles remains high in relation
12 to motor vehicles that employ more traditional technologies,
13 citizens of this State who might otherwise choose an electric
14 vehicle are forced by economic necessity to continue using motor
15 vehicles that are fueled by more conventional means. Therefore,
16 in order to encourage the use of electric vehicles and reduce

1 the State's dependence on petroleum-based sources of energy,
2 there is hereby created an electric vehicle tax credit.

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

6 "§235- Credit for electric vehicles. (a) There shall
7 be allowed to each taxpayer subject to the taxes imposed by this
8 chapter, an electric vehicle tax credit that shall be deductible
9 from the taxpayer's net income tax liability, if any, imposed by
10 this chapter for the taxable year in which the credit is
11 properly claimed.

12 (b) The tax credit shall only be available to qualified
13 registered vehicle owners. The total amount of any credit
14 allowed under this section shall not exceed \$.

15 (c) As used in this section:

16 "Electric vehicle" means a vehicle powered by electricity,
17 including a vehicle using batteries, photovoltaic cells, a fuel
18 cell, or other portable electrical energy.

19 "Qualified registered vehicle owner" is a taxpayer who
20 purchases an electric vehicle that is registered in Hawaii
21 pursuant to section 286-41 during the taxable year for which the
22 tax credit is properly claimed.

1 (d) If the tax credit under this section exceeds the
2 taxpayer's net income tax liability for the taxable year in
3 which the credit is properly claimed, the excess of the tax
4 credit over liability may be used as a credit against the
5 taxpayer's net income tax liability in subsequent years until
6 exhausted. Every claim, including amended claims, for a tax
7 credit under this section shall be filed on or before the end of
8 the twelfth month following the close of the taxable year for
9 which the credit may be claimed. Failure to comply with the
10 foregoing provision shall constitute a waiver of the right to
11 claim the credit.

12 (e) The director of taxation shall prepare any forms that
13 may be necessary to claim a credit under this section. The
14 director may also require the taxpayer to furnish information to
15 ascertain the validity of the claims for credits made under this
16 section and may adopt rules necessary to effectuate the purposes
17 of this section pursuant to chapter 91."

18 SECTION 3. New statutory material is underscored.

19 SECTION 4. This Act, upon its approval, shall apply to
20 taxable years beginning after December 31, 2008.

Report Title:

Tax Credit; Purchase of Electric Cars

Description:

Provides an income tax credit in an unspecified amount for the purchase of electric vehicles. (SD1)