

JAN 22 2010

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 as follows:

3 1. By amending subsection (a) to read:

4 "(a) When the requirements of subsection (d) are met, each
5 individual or corporate taxpayer that files an individual or
6 corporate net income tax return for a taxable year may claim a
7 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 by a
11 taxpayer during the taxable year. The tax credit may be claimed
12 as follows:

13 (1) For each solar energy system: thirty-five per cent of
14 the actual cost or the cap amount determined in
15 subsection (b), whichever is less; or



1 (2) For each wind-powered energy system: twenty per cent
2 of the actual cost or the cap amount determined in
3 subsection (b), whichever is less;
4 provided that multiple owners of a single system shall be
5 entitled to a single tax credit; and provided further that the
6 tax credit shall be apportioned between the owners in proportion
7 to their contribution to the cost of the system.

8 An owner, upon the purchase of solar or wind-powered energy
9 system, may assign, transfer, or sell the tax credit to the
10 system seller or installer using a form to be prescribed by the
11 department. In such a case, the tax credit shall be claimed by
12 the system seller or installer, rather than the owner.

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

20 2. By amending subsection (c) to read:

21 "(c) For the purposes of this section:



1 "Actual cost" means costs related to the renewable energy
2 technology systems under subsection (a), including accessories
3 and installation, but not including the cost of consumer
4 incentive premiums unrelated to the operation of the system or
5 offered with the sale of the system and costs for which another
6 credit is claimed under this chapter. For purposes of this
7 definition, when an owner assigns, transfers, or sells the
8 owner's tax credit to a system seller or installer to offset the
9 initial cost of the system, the actual cost of the system
10 incurred by the owner shall not be reduced by the amount of the
11 credit for purposes of the credit calculations under this
12 section.

13 "Household use" means any use to which heated water is
14 commonly put in a residential setting, including commercial
15 application of those uses.

16 "Owner" means the economic owner of the renewable energy
17 technology system who need not be the owner of the property
18 being served by the system. The determination of who is the
19 economic owner of a system is made at the time the system is
20 installed and placed in service.



1 "Renewable energy technology system" means a new system
2 that captures and converts a renewable source of energy, such as
3 solar or wind energy, into:

- 4 (1) A usable source of thermal or mechanical energy;
5 (2) Electricity; or
6 (3) Fuel.

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

12 "System seller or installer" means the person or entity
13 from whom the owner purchases the system or who installs the
14 system for the owner."

15 3. By amending subsection (e) to read:

16 "(e) The director of taxation shall prepare any forms that
17 may be necessary to claim and assign, transfer, or sell a tax
18 credit under this section, including forms identifying the
19 technology type of each tax credit claimed under this section,
20 whether for solar or wind. The director may also require the
21 taxpayer to furnish reasonable information to ascertain the
22 validity of the claim for credit made under this section and may



1 adopt rules necessary to effectuate the purposes of this section
2 pursuant to chapter 91."

3 SECTION 2. New statutory material is underscored.

4 SECTION 3. This Act shall take effect on July 1, 2010.

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Report Title:

Renewable Energy Technologies Income Tax Credit; Assignment of Credit

Description:

Authorizes an owner to assign the renewable energy technologies income tax credit to a system seller or installer.

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