

JAN 23 2009

A BILL FOR AN ACT

RELATING TO ENERGY RESOURCES.

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 (c) 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. This credit shall be
12 available for systems installed and placed in service in the
13 State after June 30, 2003. The tax credit may be claimed as
14 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
2 or \$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 2. By amending subsection (g) to read:

18 "(g) For systems installed and placed in service [~~in~~
19 ~~2009,~~ after December 31, 2008, no residential home developer
20 shall be entitled to claim the credit under subsections
21 (a) (1) (A), (a) (2) (A), and (a) (3) (A). A residential home



S.B. NO. 554

1 developer is defined as a person who holds more than one
2 residential dwelling for sale as inventory."

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 Statutory material to be repealed is bracketed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

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

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INTRODUCED BY:

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Report Title:

Solar Energy Devices; Water Heating; Residential; Tax Credit

Description:

Removes restriction on income tax credit for solar thermal energy systems installed in single-family residential property. Makes tax credit applicable regardless of when building permit was issued. Provides that renewable energy technologies tax credits for systems installed and placed in service after 12/31/08 for single-family residential properties may not be claimed by residential home developers.

