
A BILL FOR AN ACT

RELATING TO ENERGY.

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

1 SECTION 1. The legislature finds that Hawaii is undergoing
2 a critical transformation from an electricity energy system
3 based on imported fossil fuels to one that uses clean,
4 indigenous, and renewable energy sources. These sources, such
5 as wind and solar, are frequently intermittent energy sources,
6 meaning that they are not capable of supplying power at all
7 times. Energy storage devices, such as batteries, can be
8 installed to make intermittent sources of power available when
9 needed.

10 The legislature also finds that it is in the public's
11 interest to accelerate the deployment of clean energy storage
12 devices to facilitate Hawaii's clean energy transition. The
13 purpose of this Act is to provide an income tax credit to
14 qualified taxpayers for the installation of clean energy storage
15 systems.

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



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

10 (1) For each solar energy system: thirty-five per cent of
11 the actual cost or the cap amount determined in
12 subsection (b), whichever is less; [~~or~~]

13 (2) For each wind-powered energy system: twenty per cent
14 of the actual cost or the cap amount determined in
15 subsection (b), whichever is less; or

16 (3) For each clean energy storage system: twenty-five per
17 cent of the actual cost;

18 provided that multiple owners of a single system shall be
19 entitled to a single tax credit; and provided further that the
20 tax credit shall be apportioned between the owners in proportion
21 to their contribution to the cost of the system.



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

8 For the purposes of this subsection, "clean energy storage
9 system" means a system that is capable of storing electrical
10 energy derived from renewable energy sources; provides
11 supplemental energy to reduce peak energy requirements primarily
12 on the same site where the storage is located, or is designed
13 and used primarily to receive and store intermittent renewable
14 energy generated onsite and to deliver the energy primarily for
15 onsite consumption; has the ability to store the energy
16 equivalent of at least ten kilowatt hours of energy; has the
17 ability to have the output of the energy equivalent of two
18 kilowatts of electricity for a period of four hours; and has a
19 roundtrip energy storage efficiency of not less than eighty per
20 cent."

21 SECTION 3. Statutory material to be repealed is bracketed
22 and stricken. New statutory material is underscored.



1 SECTION 4. This Act shall take effect upon its approval;
2 provided that this Act shall apply to taxable years beginning
3 after December 31, 2011.

4



Report Title:

Renewable Energy; Energy Storage Tax Credit

Description:

Provides an income tax credit to qualified taxpayers for the installation of clean energy storage systems. Defines "clean energy storage system". Applies to taxable years beginning after 12/31/2011. (SD1)

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