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# A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

1           SECTION 1. The purpose of this Act is to require, under  
2 certain conditions, the reimbursement to the general fund from a  
3 non-general fund of the renewable energy technology system tax  
4 credit claimed by a person.

5           SECTION 2. Chapter 36, Hawaii Revised Statutes, is amended  
6 by adding a new section to part II to be appropriately  
7 designated and to read as follows:

8           "§36-       Transfer from a non-general fund for renewable  
9 energy technology system tax credit. (a) For the purpose of  
10 this section:

11           "Dwelling unit" means a room or rooms connected together,  
12 constituting an independent housekeeping unit for a family and  
13 containing a single kitchen. Two or more essentially separate  
14 structures, except for a token connection such as a covered  
15 walkway or trellis, do not constitute a single dwelling unit.

16           "Renewable energy technology system tax credit" means the  
17 income tax credit of section 235-12.5.



1        (b) The director of finance shall transfer to the general  
2 fund, from a non-general fund, a cash amount equaling the  
3 renewable energy technology system tax credit claimed by a  
4 person when all of the following conditions exist:

5        (1) The person has claimed the credit:

6            (A) Based on a renewable energy technology system  
7            installed on real property leased from, owned by,  
8            or under the control of a state agency; and

9            (B) After June 30, 2009;

10        (2) The state agency receives revenues from the lease of  
11 the real property, the energy generated by the system,  
12 or other arrangement with the person who has claimed  
13 the credit; and

14        (3) The revenues have been deposited into the non-general  
15 fund.

16        The transfer shall be made from the non-general fund and  
17 deemed a reimbursement of the general fund for a project that  
18 benefits the state agency.

19        (c) Except as otherwise provided under subsection (d):

20            (1) If a person claimed a nonrefundable or refundable  
21 credit between July 1, 2009, and June 30, 2011, the  
22 director of finance shall make the transfer to the



1           general fund from the non-general fund on June 30,  
2           2011;

3           (2) If a person claims a nonrefundable credit after June  
4           30, 2011, the director of finance shall make the  
5           transfer to the general fund from the non-general fund  
6           within ten days of the end of the calendar year in  
7           which the claim is filed with the director of  
8           taxation. Between the end of the calendar year and  
9           the transfer deadline, the director of taxation shall  
10           inform the director of finance of the dollar amount  
11           required to be transferred; and

12           (3) If a person claims a refundable credit after June 30,  
13           2011, the director of finance shall make the transfer  
14           to the general fund from the non-general fund within  
15           five days of the date the comptroller transmits the  
16           refunded credit to the person. The comptroller shall  
17           notify the director of finance when the comptroller  
18           makes the transmittal.

19           (d) The director of finance shall not make a transfer of a  
20           credit amount from a non-general fund to the general fund if the  
21           director of taxation disallows the claim for the credit.



1       If the director of taxation disallows a claim after the  
2 transfer of the credit amount from a non-general fund to the  
3 general fund, the director of finance shall reimburse the non-  
4 general fund from the general fund.

5       (e) This section shall not apply when:

6       (1) The person who claims the credit is:

7           (A) An individual; and

8           (B) The occupant of a dwelling unit leased by the  
9           person from a state agency; and

10       (2) The renewable energy technology system for which the  
11 credit is claimed serves only that dwelling unit.

12       (f) This section also shall not apply if the non-general  
13 fund is a federal fund and federal law prohibits transferring  
14 moneys from the non-general fund to the general fund in  
15 accordance with this section.

16       (g) If a federal or state law is construed by the attorney  
17 general as prohibiting a transfer from a state non-general fund  
18 to the general fund in accordance with this section, the state  
19 agency shall not enter into any agreement, after the effective  
20 date of Act     , Session Laws of Hawaii 2011, under which a  
21 person may claim a renewable energy technology system tax credit



1 based on a system installed and placed in use on real property  
2 owned or controlled by the state agency."

3 SECTION 3. New statutory material is underscored.

4 SECTION 4. This Act shall take effect upon its approval  
5 and shall apply to income tax credits claimed pursuant to  
6 section 235-12.5, Hawaii Revised Statutes, after June 30, 2009.



**Report Title:**

Renewable Energy Technology System Tax Credit; Transfer From  
Non-General Fund

**Description:**

Requires, under certain conditions, the transfer to the general fund from a non-general fund of the amount of the renewable energy technology system tax credit claimed by a person. (HD1 Proposed)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

