
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The legislature find that the Hawaii electric
2 vehicle ready program was administered by the department of
3 business, economic development, and tourism using federal funds,
4 the department provided rebates to Hawaii residents who
5 purchased new electric vehicles and electric vehicle charging
6 units. With the expiration of the program, it is in the State's
7 interest to provide other incentives to encourage the purchase
8 of electric vehicles.

9 The purpose of this Act is to establish a tax credit for
10 the purchase of new electric vehicles and electric vehicle
11 charging units.

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

15 "§235- New electric vehicle and electric vehicle
16 charging unit tax credit. (a) Any taxpayer subject to the tax
17 imposed by this chapter may claim a tax credit under this
18 section against the Hawaii state individual or corporate net



1 income tax. The tax credit may be claimed for every new
2 electric vehicle or electric vehicle charging unit purchased by
3 a taxpayer during the taxable year. The tax credit may be
4 claimed as follows:

5 (1) For each new electric vehicle: twenty per cent of the
6 cost of the new electric vehicle or the cap amount
7 determined in subsection (b), whichever is less; or

8 (2) For each electric vehicle charging unit: thirty per
9 cent of the cost of the electric vehicle charging
10 unit, including installation costs, or the cap amount
11 determined in subsection (b), whichever is less;

12 provided that multiple owners of a single electric vehicle or
13 charging unit shall be entitled to a single tax credit; and
14 provided further that the tax credit shall be apportioned
15 between the owners in proportion to their contribution to the
16 cost of the electric vehicle or charging unit.

17 In the case of a partnership, S corporation, estate, or
18 trust, the tax credit allowable is for every new electric
19 vehicle or electric vehicle charging unit purchased by the
20 entity. The cost upon which the tax credit is computed shall be
21 determined at the entity level. Distribution and share of
22 credit shall be determined pursuant to section 235-110.7(a).



1 (b) The amount of credit allowed for each new electric
2 vehicle or electric vehicle charging unit purchased shall not
3 exceed the applicable cap amount, which is determined as
4 follows:

5 (1) \$4,500 for each new electric vehicle; or

6 (2) \$500 for each electric vehicle charging unit.

7 (c) The director of taxation shall prepare any forms that
8 may be necessary to claim a tax credit under this section. The
9 director may also require the taxpayer to furnish reasonable
10 information to ascertain the validity of the claim for credit
11 made under this section and may adopt rules necessary to
12 effectuate the purposes of this section pursuant to chapter 91.

13 (d) If the tax credit under this section exceeds the
14 taxpayer's income tax liability, the excess of the credit over
15 liability may be used as a credit against the taxpayer's income
16 tax liability in subsequent years until exhausted. All claims
17 for the tax credit under this section, including amended claims,
18 shall be filed on or before the end of the twelfth month
19 following the close of the taxable year for which the credit may
20 be claimed. Failure to comply with this subsection shall
21 constitute a waiver of the right to claim the credit.



1 (e) No taxpayer shall be allowed a credit under this
2 section for the purchase of a new electric vehicle of electric
3 vehicle charging unit if the taxpayer received a rebate for the
4 purchase of the electric vehicle or electric vehicle charging
5 unit pursuant to the Hawaii electric vehicle ready program
6 administered by the department of business, economic
7 development, and tourism.

8 (f) For the purposes of this section:

9 "Battery capacity" means the quantity of electricity that a
10 battery is capable of storing, expressed in kilowatt hours, as
11 measured from a one hundred per cent state of charge to a zero
12 per cent state of charge.

13 "Electric vehicle charging unit" means a device used to
14 recharge electric vehicle batteries that contains a plug that
15 connects electric vehicle batteries to an electrical source,
16 providing the batteries with electrical energy. An electric
17 vehicle charging unit shall be:

18 (1) In compliance with article 625 of the National
19 Electrical Code;

20 (2) Tested and certified by a nationally recognized
21 testing laboratory; and



1 (3) Installed in compliance with all applicable federal,
2 state, and county laws, codes, and regulations.

3 "Nationally recognized testing laboratory" means an
4 independent laboratory recognized by the United States
5 Department of Labor's Occupational Safety and Health
6 Administration to test products to the specifications of
7 applicable product safety standards.

8 "New electric vehicle" means a motor vehicle:

9 (1) The original use of which commences with the taxpayer;

10 (2) That is acquired for use or lease by the taxpayer and
11 not for resale;

12 (3) That is made by a manufacturer;

13 (4) That is treated as a motor vehicle for purposes of
14 Title II of the Clean Air Act, Public Law 88-206;

15 (5) That has a gross vehicle weight rating of less than
16 14,000 pounds; and

17 (6) That is propelled to a significant extent by an
18 electric motor that draws electricity from a battery
19 that:

20 (A) Has a capacity of not less than four kilowatt
21 hours; and



1 (B) Is capable of being recharged from an external
2 source of electricity."

3 SECTION 3. New statutory material is underscored.

4 SECTION 4. This Act, upon its approval, shall apply to
5 taxable years beginning after December 31, 2011.

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INTRODUCED BY:

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JAN 18 2012



H.B. NO. 2054

Report Title:

New Electric Vehicle and Electric Vehicle Charging Unit Tax Credit

Description:

Establishes a tax credit for the purchase of a new electric vehicle or an electric vehicle charging unit.

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