

JAN 25 2012

A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

1 SECTION 1. Section 235-12.5, Hawaii Revised Statutes, is
2 amended by amending subsections (a), (b) and (c) to read as
3 follows:

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~~]

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



1 (3) For each biogas-powered energy system: _____ 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 In the case of a partnership, S corporation, estate, or
9 trust, the tax credit allowable is for every eligible renewable
10 energy technology system that is installed and placed in service
11 in the State by the entity. The cost upon which the tax credit
12 is computed shall be determined at the entity level.
13 Distribution and share of credit shall be determined pursuant to
14 section 235-110.7(a).

15 (b) The amount of credit allowed for each eligible
16 renewable energy technology system shall not exceed the
17 applicable cap amount, which is determined as follows:

18 (1) If the primary purpose of the solar energy system is
19 to use energy from the sun to heat water for household
20 use, then the cap amounts shall be:

21 (A) \$2,250 per system for single-family residential
22 property;



- 1 (B) \$350 per unit per system for multi-family
- 2 residential property; and
- 3 (C) \$250,000 per system for commercial property;
- 4 (2) For all other solar energy systems, the cap amounts
- 5 shall be:
- 6 (A) \$5,000 per system for single-family residential
- 7 property; provided that if all or a portion of
- 8 the system is used to fulfill the substitute
- 9 renewable energy technology requirement pursuant
- 10 to section 196-6.5(a)(3), the credit shall be
- 11 reduced by thirty-five per cent of the actual
- 12 system cost or \$2,250, whichever is less;
- 13 (B) \$350 per unit per system for multi-family
- 14 residential property; and
- 15 (C) \$500,000 per system for commercial property;
- 16 [and]
- 17 (3) For all wind-powered energy systems, the cap amounts
- 18 shall be:
- 19 (A) \$1,500 per system for single-family residential
- 20 property; provided that if all or a portion of
- 21 the system is used to fulfill the substitute
- 22 renewable energy technology requirement pursuant



1 to section 196-6.5(a)(3), the credit shall be
2 reduced by twenty per cent of the actual system
3 cost or \$1,500, whichever is less;

4 (B) \$200 per unit per system for multi-family
5 residential property; and

6 (C) \$500,000 per system for commercial property[-];
7 and

8 (4) For all biogas-powered energy systems, the cap amounts
9 shall be:

10 (A) \$ _____ per system for single-family
11 residential property; provided that if all or a
12 portion of the system is used to fulfill the
13 substitute renewable energy technology
14 requirement pursuant to section 196-6.5(a)(3),
15 the credit shall be reduced by _____ per cent of
16 the actual system cost or \$ _____, whichever is
17 less;

18 (B) \$ _____ per unit per system for multi-family
19 residential property; and

20 (C) \$ _____ per system for commercial property.

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.

7 "Biogas" means gas that is created in part from
8 nonpetroleum, nonfood-grade oils and fats.

9 "Biogas energy system" means any identifiable facility,
10 equipment, apparatus, or the like that produces and converts
11 biogas into useful thermal or electrical energy for heating,
12 cooling, or reducing the use of other types of energy that are
13 dependent solely upon fossil fuel for their generation.

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

17 "Renewable energy technology system" means a new system
18 that captures and converts a renewable source of energy, such as
19 solar, ~~or~~ wind ~~[energy]~~, or biogas energy into:

- 20 (1) A usable source of thermal or mechanical energy;
21 (2) Electricity; or
22 (3) Fuel.



S.B. NO. 2904

1 "Solar or wind energy system" means any identifiable
2 facility, equipment, apparatus, or the like that converts solar
3 or wind energy to useful thermal or electrical energy for
4 heating, cooling, or reducing the use of other types of energy
5 that are dependent upon fossil fuel for their generation."

6 SECTION 2. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 3. This Act shall take effect on July 1, 2012.

9

INTRODUCED BY:

Johai Pan (br)



S.B. NO. 2904

Report Title:

Renewable Energy Technologies; Tax Credit

Description:

Creates a tax credit for biogas energy systems. Amends definition of "renewable energy technology system" to include biogas energy. Defines "biogas" and "biogas energy system." Effective July 1, 2012.

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

