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## A BILL FOR AN ACT

RELATING TO TAX CREDIT.

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

1           SECTION 1. Chapter 235, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§235- Plastic water catchment system; income tax  
5 credit. (a) Each individual taxpayer who files an individual  
6 net income tax return for a taxable year may claim a tax credit  
7 under this section against the Hawaii state individual net  
8 income tax. The tax credit may be claimed for each eligible  
9 plastic water catchment system installed by the taxpayer at the  
10 taxpayer's domicile in the State during the taxable year.

11           (b) The amount of credit allowed for each eligible plastic  
12 water catchment system shall be \$10.

13           (c) For the purposes of this section:

14           "Domicile" means the place of an individual's true, fixed,  
15 and permanent home, and the principal establishment to which the  
16 individual has the intention of returning whenever the  
17 individual is absent.



1       "Household use" means any use to which water is commonly  
2 put in a residential setting.

3       "Plastic water catchment system" means a water catchment  
4 system constructed primarily out of plastic that is attached to  
5 a domicile's rain gutter system for the purpose of capturing and  
6 storing rainwater for household use or fire suppression.

7       (d) 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       (e) 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, unless  
17 otherwise elected by the taxpayer pursuant to subsection (f).  
18 All claims for the tax credit under this section, including  
19 amended claims, shall be filed on or before the end of the  
20 twelfth month following the close of the taxable year for which  
21 the credit may be claimed. Failure to comply with this



1 subsection shall constitute a waiver of the right to claim the  
2 credit.

3 (f) Notwithstanding subsection (e), for any plastic water  
4 catchment system, an individual taxpayer may elect to have any  
5 excess of the credit over payments due refunded to the taxpayer,  
6 provided that tax credits properly claimed by a taxpayer who has  
7 no income tax liability shall be paid to the taxpayer, and  
8 provided further that no refund on account of the tax credit  
9 allowed by this section shall be made for amounts less than \$1.  
10 Failure to elect to claim any excess credit as refundable within  
11 the time period established by the director of taxation pursuant  
12 to subsection (d) shall constitute a waiver of the right to the  
13 claim any excess credit available under this section as  
14 refundable.

15 (g) To the extent feasible, the department shall assist  
16 with data collection on the following for each taxable year:

17 (1) The number of plastic water catchment systems that  
18 have qualified for a tax credit during the calendar  
19 year; and

20 (2) The total cost of the tax credit to the State during  
21 the taxable year."



1 SECTION 2. New statutory material is underscored.

2 SECTION 3. This Act, upon its approval, shall apply to  
3 taxable years beginning after December 31, 2015.

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INTRODUCED BY: Calvin Hill

JAN 19 2016

# H.B. NO. 1620

**Report Title:**

Plastic Water Catchment System Tax Credit; Income Taxation

**Description:**

Establishes a tax credit for individual taxpayers within the State who install plastic water catchments on the properties at which they reside. Allows taxpayer to elect to make the tax credit refundable.

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

