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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 twenty per cent of the cost of  
13 the plastic water catchment system.

14           (c) For the purposes of this section:

15           "Domicile" means the place of an individual's true, fixed,  
16 and permanent home, and the principal establishment to which the



1 individual has the intention of returning whenever the  
2 individual is absent.

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

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

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

15 (e) If the tax credit under this section exceeds the  
16 taxpayer's income tax liability, the excess of the credit over  
17 liability may be used as a credit against the taxpayer's income  
18 tax liability in subsequent years until exhausted, unless  
19 otherwise elected by the taxpayer pursuant to subsection (f).

20 All claims for the tax credit under this section, including  
21 amended claims, shall be filed on or before the end of the



1 twelfth month following the close of the taxable year for which  
2 the credit may be claimed. Failure to comply with this  
3 subsection shall constitute a waiver of the right to claim the  
4 credit.

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

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

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



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

3        (h) Each county shall determine and certify the  
4 eligibility of a plastic water catchment system for the tax  
5 credit."

6            SECTION 2. New statutory material is underscored.

7            SECTION 3. This Act, upon its approval, shall apply to  
8 taxable years beginning after December 31, 2017.



**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. (HB1620 HD1)

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

