
A BILL FOR AN ACT

RELATING TO FIRE SPRINKLERS.

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

1 SECTION 1. The legislature finds that in the state of
2 Hawaii, fire sprinklers are rarely found in one- and two-family
3 dwellings because of their high cost. The average cost of a
4 fire sprinkler with a one-inch water meter and backflow
5 preventer, including installation, is \$42,230 in the county of
6 Kauai, \$29,748 in the county of Maui, \$25,580 in the county of
7 Hawaii, and \$18,092 in the city and county of Honolulu. The
8 legislature finds that an incentive is needed to promote the
9 installation of fire sprinklers in one- and two-family dwellings
10 in the State.

11 The purpose of this Act is to provide an incentive to
12 install an automatic fire sprinkler or automatic fire sprinkler
13 system in any new detached one- or two-family dwelling unit that
14 is in a structure that is used only for residential purposes by
15 establishing a tax credit comprising a percentage of the actual
16 costs of the fire sprinkler or system, including installation.



1 SECTION 2. 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- Tax credit to promote the installation of fire
5 sprinklers in residences. (a) Any qualifying taxpayer who
6 files an individual income tax return for a taxable year may
7 claim an income tax credit under this section against the Hawaii
8 state individual net income tax.

9 (b) The tax credit may be claimed for every eligible
10 automatic fire sprinkler or system that is installed and placed
11 in service by the taxpayer during the taxable year in any new
12 detached one- or two-family dwelling unit that is in a structure
13 that is used only for residential purposes. For each automatic
14 fire sprinkler or system, the tax credit that may be claimed
15 shall be twenty-five per cent of the actual cost of the system,
16 including installation costs; provided that multiple owners of a
17 single automatic fire sprinkler or system shall be entitled to a
18 single tax credit; and provided further that the tax credit
19 shall be apportioned between the owners in proportion to their
20 contribution to the cost of the automatic fire sprinkler or
21 system.



1 (c) If the tax credit claimed by the taxpayer under this
2 section exceeds the amount of the income tax payments due from
3 the taxpayer, the excess of credit over payments due shall be
4 refunded to the taxpayer; provided that the tax credit properly
5 claimed by a taxpayer who has no income tax liability shall be
6 paid to the taxpayer; and provided that no refunds or payments
7 on account of the tax credit allowed by this section shall be
8 made for amounts less than \$1.

9 (d) The director of taxation shall prepare such forms as
10 may be necessary to claim a credit under this section, may
11 require proof of the claim for the tax credit, and may adopt
12 rules pursuant to chapter 91.

13 (e) All of the provisions relating to assessments and
14 refunds under this chapter and under section 231-23(c)(1) shall
15 apply to the tax credit under this section.

16 (f) Claims for the tax credit under this section,
17 including any amended claims, shall be filed on or before the
18 end of the twelfth month following the taxable year for which
19 the credit may be claimed."

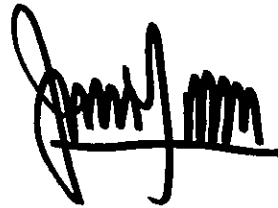
20 SECTION 3. New statutory material is underscored.



H.B. NO. 1873

1 SECTION 4. This Act shall take effect on July 1, 2016, and
2 shall apply to taxable years beginning after December 31, 2016;
3 provided that this Act shall be repealed on June 30, 2026.
4

INTRODUCED BY:  _____









JAN 22 2016



H.B. NO. 1873

Report Title:

Fire Sprinklers; Tax Credit

Description:

Establishes a tax credit of 25 percent of the total cost, including installation, of an automatic fire sprinkler or automatic fire sprinkler system in any new detached one- or two-family dwelling unit in a structure used only for residential purposes. Sunsets on June 30, 2026.

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

