
A BILL FOR AN ACT

RELATING TO TAXATION.

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- Battery backup system tax credit. (a) 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 battery backup system that is
10 installed and placed in service in the State by a taxpayer
11 during the taxable year.

12 The amount of the credit shall be equal to twenty-five per
13 cent of the actual cost of each battery backup system installed
14 or the cap amount determined in subsection (b), whichever is
15 less; provided that multiple owners of a single system shall be
16 entitled to a single tax credit; and provided further that the



1 tax credit shall be apportioned between the owners in proportion
2 to their contribution to the cost of the system.

3 In the case of a partnership, S corporation, estate, or
4 trust, the tax credit allowable is for every eligible battery
5 backup system that is installed and placed in service in the
6 State by the entity. The cost upon which the tax credit is
7 computed shall be determined at the entity level. Distribution
8 and share of credit shall be determined pursuant to section 235-
9 110.7(a).

10 (b) The amount of credit allowed for each eligible battery
11 backup system shall not exceed the applicable cap amount, which
12 is determined as follows:

- 13 (1) \$10,000 per system for single-family residential
14 property;
- 15 (2) \$ _____ per unit per system for multi-family
16 residential property; and
- 17 (3) \$250,000 per system for commercial property.

18 (c) For the purposes of this section:

19 "Actual cost" means costs related to the battery backup
20 system under subsection (a), including accessories and
21 installation, but not including the cost of consumer incentive



1 premiums unrelated to the operation of the system or offered
2 with the sale of the system and costs for which another credit
3 is claimed under this chapter.

4 "Battery backup system" means any identifiable facility,
5 equipment, apparatus, or the like that uses batteries to store
6 electrical energy generated by a solar energy system, as defined
7 in section 235-12.5, for use during times when no solar
8 resources are available to generate power.

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. All claims
19 for the tax credit under this section, including amended claims,
20 shall be filed on or before the end of the twelfth month
21 following the close of the taxable year for which the credit may



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1 be claimed. Failure to comply with this subsection shall
2 constitute a waiver of the right to claim the credit."

3 SECTION 2. Section 235-12.5, Hawaii Revised Statutes, is
4 amended by amending the definition of "actual cost" to read as
5 follows:

6 "Actual cost" means costs related to the renewable energy
7 technology systems under subsection (a), including accessories
8 and installation, but not including the cost of consumer
9 incentive premiums unrelated to the operation of the system or
10 offered with the sale of the system and costs for which another
11 credit is claimed under this chapter. "Actual cost" does not
12 include costs related to battery backup systems, as defined in
13 section 235- ."

14 SECTION 3. New statutory material is underscored.

15 SECTION 4. This Act, upon its approval, shall apply to
16 taxable years beginning after December 31, 2014.

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INTRODUCED BY:  _____

JAN 22 2015



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Report Title:

Battery Backup System Tax Credit

Description:

Establishes a nonrefundable income tax credit for taxpayers who purchase and install battery backup systems for solar energy systems.

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

