
A BILL FOR AN ACT

RELATING TO CESSPOOL TAX CREDITS.

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

1 SECTION 1. Section 235-16.5, Hawaii Revised Statutes, is
2 amended by amending the definition of "qualified cesspool" in
3 subsection (i) to read as follows:

4 "Qualified cesspool" means a cesspool that is [~~certified~~]:

5 (1) Certified by the department of health as being:

6 ~~[(1)]~~ (A) Located within:

7 ~~[(A)]~~ (i) Two hundred feet of a shoreline, perennial
8 stream, or wetland; or

9 ~~[(B)]~~ (ii) A source water assessment program area (two
10 year time of travel from a cesspool to a public
11 drinking water source); or

12 ~~[(2)]~~ (B) A residential large capacity cesspool~~[-]~~; or

13 (2) Certified by the county as being located within two
14 hundred feet of an existing sewer system."

15 SECTION 2. Section 235-16.5, Hawaii Revised Statutes, is
16 amended by amending subsection (c) to read as follows:



1 "(c) The cesspool upgrade, conversion, or connection
2 income tax credit shall be equal to the qualified expenses of
3 the taxpayer, up to a maximum of \$10,000; provided that, in the
4 case of a qualified cesspool that is a residential large
5 capacity cesspool, the amount of the credit shall be equal to
6 the qualified expenses of the taxpayer, up to a maximum of
7 \$10,000 per residential dwelling connected to the cesspool, as
8 certified by the department of health pursuant to subsection
9 (e). There shall be allowed a maximum of one cesspool upgrade,
10 conversion, or connection income tax credit per qualified
11 cesspool[-] or per tax map key, in the case of a large capacity
12 cesspool. The cesspool upgrade, conversion, or connection
13 income tax credit shall be available only for the taxable year
14 in which the taxpayer's qualified expenses are certified by the
15 appropriate government agency."

16 SECTION 3. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 3. This Act shall take effect upon its
19 approval[-]; provided that section 2 shall apply to taxable
20 years beginning after December 31, 2015.



Report Title:

Cesspools; Tax Credit; Near Existing Sewer Systems; Upgrade or Conversion

Description:

Adds cesspools that are within two hundred feet of an existing sewer system as determined by a county to the definition of "qualified cesspool" for the purposes of determining eligibility for upgrade or conversion tax credits. Allows for an income tax credit for cesspool upgrades, conversions, or connections per tax map key in the case of large capacity cesspools. Makes tax credit applicable to taxable years after December 31, 2015.
(HB2517 HD1)

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