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# 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 \$           ; provided that, in  
4 the 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 \$           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 Statutory material to be repealed is bracketed  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 4. This Act shall take effect on July 1, 2030;  
19 provided that section 2 shall apply to taxable years beginning  
20 after December 31, 2015.



**Report Title:**  
Cesspools Tax Credits

**Description:**  
Adds county-certified cesspools within 200 feet of an existing sewer system to the definition of "qualified cesspool" for the purposes of determining eligibility for an upgrade, conversion, or connection income tax credit. (HB2517 HD2)

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