

JAN 25 2017

A BILL FOR AN ACT

RELATING TO THE RENEWABLE ENERGY.

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

1 SECTION 1. The legislature finds that in 1976 this body
2 enacted Act 189, Session Laws of Hawaii 1976, establishing state
3 income tax credits to encourage the installation of renewable
4 energy systems. The legislature also finds that continued
5 encouragement of private investment in renewable energy systems
6 is necessary as the practice has proven to be successful,
7 beneficial, and cost effective for individual and corporate
8 taxpayers. The legislature further finds there should be
9 uniformity between the various statutes that relate to the
10 installation of renewable energy technologies and the
11 requirements that qualify a system for state income tax credits
12 in terms of certification, performance, efficiency, and proper
13 sizing.

14 The purpose of this Act is:

15 (1) To require solar water heater systems to meet the
16 standards of the public utilities commission to
17 qualify for a tax credit; and



1 (2) Require the public utilities commission to include
2 certain qualifications and certification for its solar
3 water heater systems standards.

4 SECTION 2. Section 235-12.5, Hawaii Revised Statutes, is
5 amended by amending subsection (b) to read as follows:

6 "(b) The amount of credit allowed for each eligible
7 renewable energy technology system shall not exceed the
8 applicable cap amount, which is determined as follows:

9 (1) If the primary purpose of the solar energy system is
10 to use energy from the sun to heat water for household
11 use[,] and the system meets the solar water heater
12 system standards established pursuant to section
13 269-44, then the cap amounts shall be:

14 (A) \$2,250 per system for single-family residential
15 property;

16 (B) \$350 per unit per system for multi-family
17 residential property; and

18 (C) \$250,000 per system for commercial property;

19 (2) For all other solar energy systems, the cap amounts
20 shall be:



- 1 (A) \$5,000 per system for single-family residential
2 property; provided that if all or a portion of
3 the system is used to fulfill the substitute
4 renewable energy technology requirement pursuant
5 to section 196-6.5(a)(3), the credit shall be
6 reduced by thirty-five per cent of the actual
7 system cost or \$2,250, whichever is less;
- 8 (B) \$350 per unit per system for multi-family
9 residential property; and
- 10 (C) \$500,000 per system for commercial property; and
- 11 (3) For all wind-powered energy systems, the cap amounts
12 shall be:
- 13 (A) \$1,500 per system for single-family residential
14 property; provided that if all or a portion of
15 the system is used to fulfill the substitute
16 renewable energy technology requirement pursuant
17 to section 196-6.5(a)(3), the credit shall be
18 reduced by twenty per cent of the actual system
19 cost or \$1,500, whichever is less;
- 20 (B) \$200 per unit per system for multi-family
21 residential property; and



1 (C) \$500,000 per system for commercial property."

2 SECTION 3. Section 269-44, Hawaii Revised Statutes, is
3 amended to read as follows:

4 "[+]§269-44[+] **Solar water heater system standards.** Not
5 later than July 1, 2009, or as soon as reasonably practicable,
6 the public utilities commission shall adopt or establish by
7 rule, tariff, or order, standards for solar water heater systems
8 to include, but not be limited to, systems that are ENERGY STAR
9 qualified and listed or systems certified to the Solar Rating
10 and Certification Corporation (SRCC) standard 3000, and
11 specifications for the performance, materials, components,
12 durability, longevity, proper sizing, installation, and quality
13 to promote the objectives of section 269-124."

14 SECTION 4. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 5. This Act shall take effect upon its approval
17 and shall apply to taxable years beginning after December 31,
18 2017.

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INTRODUCED BY:

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S.B. NO. 1094

Report Title:

Renewable Energy Technologies Income Tax Credit; Solar Water Heater System Standards

Description:

Requires that in order to qualify for the renewable energy technologies income tax credit, solar water heater systems meet the standards for solar water heater systems established by the public utilities commission. Requires the public utilities commission to establish standards for hot water heater systems that are ENERGY STAR qualified and listed or systems certified to the Solar Rating and Certification Corporation (SRCC) standard 3000. Applies to taxable years beginning after 12/31/2017.

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

