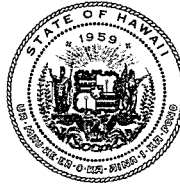


DAVID Y. IGE  
GOVERNOR

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LT. GOVERNOR



LINDA CHU TAKAYAMA  
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE  
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DEPT. COMM. NO. 154

STATE OF HAWAII  
DEPARTMENT OF TAXATION  
P.O. BOX 259  
HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1540  
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December 19, 2018

The Honorable Ronald D. Kouchi,  
President and Members of the Senate  
Thirtieth Legislature  
State of Hawaii  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Scott Saiki,  
Speaker and Members of the House  
of Representatives  
Thirtieth Legislature  
State of Hawaii  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the 2016 Tax Credits Claimed by Hawaii Taxpayers Report, as required by Section 231-3.4(a)(3), Hawaii Revised Statutes. In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at [http://tax.hawaii.gov/stats/a5\\_1annual/](http://tax.hawaii.gov/stats/a5_1annual/).

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Chu Takayama".

LINDA CHU TAKAYAMA  
Director of Taxation

Enclosure

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# **Tax Credits**

**Claimed by Hawaii Taxpayers**

**Tax Year 2016**

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**Department of Taxation**

**State of Hawaii**

## STATE OF HAWAII

David Y. Ige, Governor

## DEPARTMENT OF TAXATION

Linda Chu Takayama, Director

Damien A. Elefante, Deputy Director

## TAX RESEARCH & PLANNING

Seth Colby, Tax Research & Planning Officer

Baybars Karacaovali, Economist

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# **Tax Credits**

## **Claimed by Hawaii Taxpayers**

### **Tax Year 2016**

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**Department of Taxation  
State of Hawaii**

**December 2018**

**Prepared by Tax Research and Planning Office**

**Web Site: [tax.hawaii.gov](http://tax.hawaii.gov)**



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# 1. INTRODUCTION

This study examines tax credits that may be applied against Hawaii's net income taxes, against the tax on insurance premiums, or against the tax on public utilities. Tax credits are subtracted directly from the tax liability, so they reduce the amount of taxes dollar-for-dollar. This makes them more valuable to taxpayers than ordinary deductions, which merely reduce the amount of income against which tax is applied. Tax credits may be refundable or nonrefundable. If a tax credit is nonrefundable, it can provide a tax benefit only to the extent that the taxpayer has a tax liability.<sup>1</sup> In contrast, the taxpayer is ensured of receiving the full amount of a refundable tax credit in the year it is claimed, because if the tax credit exceeds the tax liability, the taxpayer receives a check from the government for the difference.

The study reports the value of tax credits that were applied against (and deducted from) tax liability, or that were refunded to taxpayers in tax year 2016. The study does not include the value of tax credits that were claimed in tax year 2016 if the tax credits were denied or carried over to a future year.

The tax returns examined for this study were those filed for tax year 2016 and processed by March 31, 2018. The tax year is the same as the calendar year for most taxpayers, but for taxpayers that have a fiscal year that differs from the calendar year, tax year 2016 is the fiscal year ending in calendar year 2016.

Hawaii's first tax credit was established in 1957 to avoid double taxation of income. Since then, numerous tax credits have been enacted. Most of them are designed to promote social welfare or to encourage certain industries or economic activities. The total number of tax credits reached a peak in tax year 2008, when 21 tax credits were active. In tax year 2016, there were 19 active tax credits.<sup>2</sup> There were also 6 expired tax credits for which excess credits from prior years could be carried over into tax year 2016.<sup>3</sup>

The Department of Taxation (Department) has prepared studies on tax credits for tax years 1965, 1970, 1977 through 2005, and 2011 through 2016 (the present study).<sup>4</sup>

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<sup>1</sup> For most nonrefundable tax credits, the unused credits can be carried forward to future years, so the full value of the tax credit is usually realized eventually.

<sup>2</sup> The study does not include the tax credit from a regulated investment company or the credit for taxes withheld on the sale of Hawaii real property. These are not proper tax credits, but are instead deductions from income tax that account for Hawaii income taxes already paid, similar to the deduction for taxes that were withheld on wages.

<sup>3</sup> The count of expired tax credits does not include the renewable energy technologies tax credit for systems installed prior to July 1, 2009.

<sup>4</sup> Work on the studies was discontinued in 2009 due to cutbacks in personnel caused by the Great Recession. The study on tax credits for tax year 2011 was the first one produced since December 2007, when the study for tax year 2005 was published.



The studies on tax credits produced for tax years before 1986 included only tax credits claimed by individuals. The studies for tax years after 1986 were expanded to include tax credits claimed by businesses, by fiduciaries (trusts and estates), and by exempt organizations as well as the lifeline telephone service tax credit. The present study examines the following active and expired tax credits:

### **Active Tax Credits**

#### *Tax Credits to Promote Social Welfare*

- Refundable Food/Excise Tax Credit
- Tax Credit for Low-Income Household Renters
- Tax Credit for Child and Dependent Care Expenses
- Tax Credit for Child Passenger Restraint Systems
- Tax Credit for Employment of Vocational Rehabilitation Referrals
- Low-Income Housing Tax Credit
- Tax Credit for School Repair and Maintenance
- Lifeline Telephone Service Tax Credit

#### *Tax Credits to Encourage Certain Industries or Economic Activities*

- Fuel Tax Credit for Commercial Fishers
- Motion Picture, Digital Media, and Film Production Income Tax Credit
- Renewable Energy Technologies Tax Credit
- Enterprise Zone Tax Credit
- Ethanol Facility Tax Credit
- Important Agricultural Land Qualified Agricultural Cost Tax Credit
- Tax Credit for Research Activities
- Capital Infrastructure Tax Credit
- Cesspool Upgrade, Conversion or Connection Income Tax Credit

#### *Tax Credits to Avoid Double Taxation or Pyramiding of Taxes*

- Capital Goods Excise Tax Credit
- Income Tax Paid to Another State or Foreign Country

### **Expired Tax Credits**

#### *Tax Credits to Promote Social Welfare*

- Individual Development Account Contribution Tax Credit

#### *Tax Credits to Encourage Certain Industries or Economic Activities*

- High Technology Business Investment Tax Credit
- Energy Conservation Tax Credit
- Hotel Construction and Remodeling Tax Credit
- Technology Infrastructure Renovation Tax Credit
- Residential Construction and Remodeling Tax Credit

## 2. DATA SOURCE AND METHODOLOGY

The primary data sources for the study are the Department's computerized Integrated Tax Information Management System (ITIMS) and Tax System Modernization (TSM) Program. Data from individual income tax returns (Forms N-11 and N-15)<sup>5</sup> and fiduciary income tax returns (Form N-40) were extracted solely through ITIMS, whereas data from corporate income tax returns (Form N-30), and exempt organization income tax returns (Form N-70NP) were extracted through both ITIMS and TSM. The data include all tax returns filed for tax year 2016 and processed by March 31, 2018. Many tax credits require the taxpayer complete a separate form to compute the tax credit and to provide evidence to support the amount claimed, but data from separate tax credit forms were not available in electronic form and so were not used for the study. Some tax credits are reported directly on the tax return, but most of them are reported on Schedule CR, "Schedule of Tax Credits." The tax credits reported on Schedule CR are summed and only the total is reported on the income tax return. Data on the tax credits were taken from the tax returns and from Schedules CR. The data on tax credits are before any adjustments made by subsequent audits, but after automatic adjustments that the Department made when processing the tax returns.

In addition to data from ITIMS, data were also taken from image copies of paper returns of Form F-1 that were filed by banks and other financial corporations, including building and loan associations, financial services and loan companies, and small investment companies. Data on the lifeline telephone tax credit were obtained from the Public Utilities Commission. Data on tax credits claimed by insurance companies were provided by the Insurance Division of the Department of Commerce and Consumer Affairs, which administers the tax on insurance premiums. The tax forms used for the study and their instructions are available on the Department's website at [tax.hawaii.gov](http://tax.hawaii.gov), or through the Department's "Forms by Fax/Mail Service" at 808-587-4242 or toll-free at 1-800-222-3229. The forms and instructions may also be obtained at any district tax office.

The data for the study come from 762,089 tax returns that were filed for tax year 2016. Table 1 shows the total number of each type of tax return examined for the study.

---

<sup>5</sup> The individual income tax return Form N-13 (resident short-form) became obsolete for taxable years beginning after December 31, 2015.

**Table 1**  
**Number of Tax Returns by Type of Taxpayer**  
**for Tax Year 2016**

Type of Taxpayer	Tax Form	Number of Returns
Individual	Form N-11	628,867
Individual	Form N-15	96,600
Nonfinancial Corporation	Form N-30	18,106
Financial Corporation	Form F-1	252
Insurance Underwriter*	Form 314	1,033
Fiduciary	Form N-40	16,566
Exempt Organization	Form N-70NP	665
TOTAL		762,089

\* Data supplied by the Insurance Division of the Department of Commerce and Consumer Affairs.

Table 2 shows the breakdowns by income class and by taxation district for the individual income tax returns included in the study (Forms N-11 and N-15).<sup>6</sup> The State has four taxation districts: District 1 is the City and County of Honolulu (Oahu), District 2 consists of Maui and Kalawao Counties (Maui), District 3 is Hawaii County and District 4 is Kauai County. The table also shows the number of individual income tax returns in each of six income classes. For residents (who file Form N-11), the income class is determined by the Hawaii Adjusted Gross Income (Hawaii AGI). For part-year residents and nonresidents (who file Form N-15), the income class is determined by total AGI, which is the taxpayer's global adjusted gross income as it would be defined if the taxpayer had been a Hawaii resident for the full tax year.

---

<sup>6</sup> District breakdowns for tax returns from businesses are often not meaningful, because the location is determined by the taxpayer's mailing address. Many businesses with operations throughout the State are headquartered on Oahu and use an Oahu mailing address. Moreover, nonresident businesses with out-of-State addresses are attributed to Oahu. Therefore, county breakdowns for business tax returns are not shown.

**Table 2**  
**Total Number of Individual Income Tax Returns for Tax Year 2016**  
**by Income Class and by Tax District**

<b>By Income Class*</b>			
<b>Hawaii AGI*</b>	<b>Forms N – 11</b>	<b>Forms N - 15</b>	<b>All Individual Returns</b>
Less than \$10,000	142,810	16,075	158,885
\$10,000 to \$29,999	152,129	17,400	169,529
\$30,000 to \$59,999	154,214	16,300	170,514
\$60,000 to \$99,999	90,918	12,928	103,846
\$100,000 to \$199,999	69,492	14,521	84,013
\$200,000 or more	19,304	19,376	38,680
<b>Total</b>	<b>628,867</b>	<b>96,600</b>	<b>725,467</b>

<b>By Tax District**</b>			
<b>Tax District</b>	<b>Forms N – 11</b>	<b>Forms N - 15</b>	<b>All Individual Returns</b>
Oahu (District 1)	442,875	91,273	534,148
Maui (District 2)	73,489	2,083	75,572
Hawaii (District 3)	80,334	2,334	82,668
Kauai (District 4)	32,169	910	33,079
<b>Total</b>	<b>628,867</b>	<b>96,600</b>	<b>725,467</b>

\* For Form N-15, the income is the taxpayer's global adjusted gross income as defined for Hawaii income tax purposes.

\*\* Forms N-15 for non-residents that have an out-of-state address are allocated to Oahu.

### **3. OVERVIEW AND SUMMARY OF RESULTS**

In tax year 2016, a total of \$289.1 million was claimed in tax credits. The tables in Appendix A show details on the tax credits claimed for tax year 2016. Appendix Table A-1 shows the amount of each tax credit claimed by each type of taxpayer (individuals, nonfinancial corporations, financial corporations, insurance underwriters, fiduciaries and exempt organizations). The results from Table A-1 are summarized in Figure 1, which shows the distribution of tax credits claimed by type of taxpayer; Figure 2, which shows the amount of tax credits as a proportion of total tax liability by taxpayer type; and in Table 3, which shows the distribution of the tax credits claimed by type of tax credit.

Figure 1 shows the breakdown by type of taxpayer for tax credits claimed in tax year 2016. The largest dollar value of tax credits was claimed against individual income tax liabilities. Such claims amounted to \$149.6 million, or 51.7% of the total claims for tax credits. Claims against income tax liabilities of nonfinancial corporations were the second largest category, amounting to \$95.2 million, or 32.9% of the total claims for tax credits.

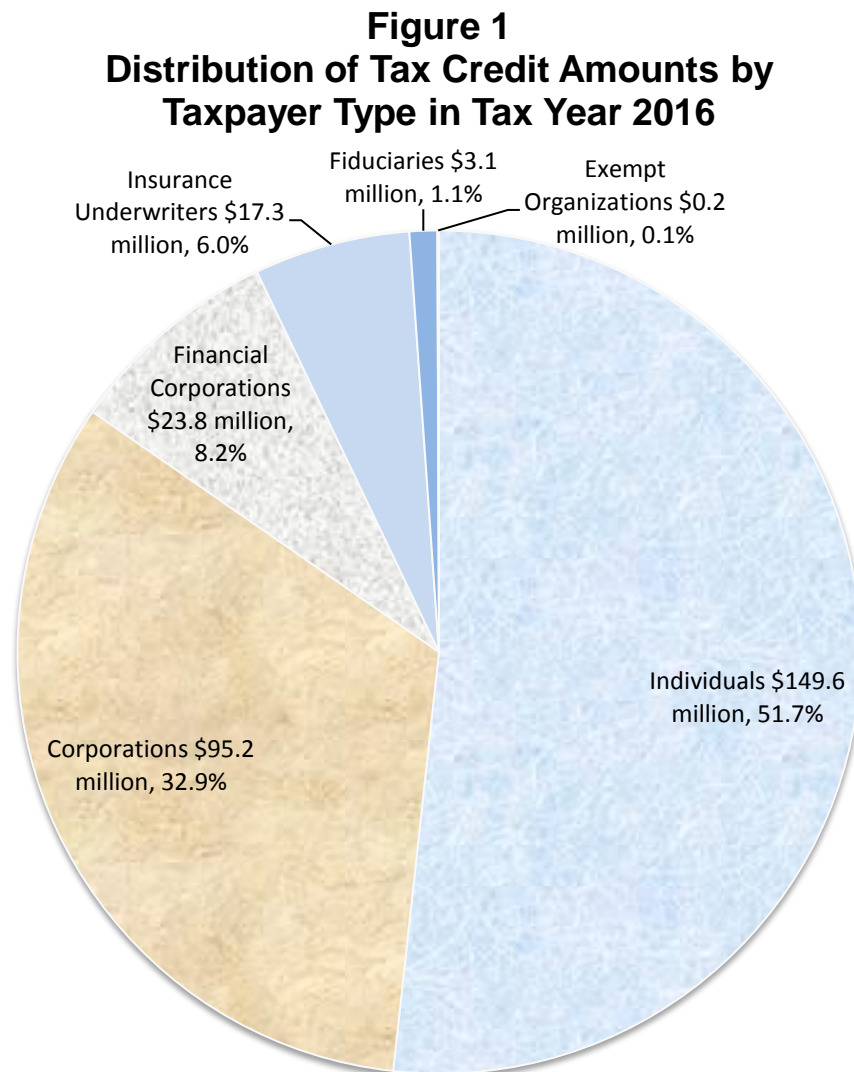
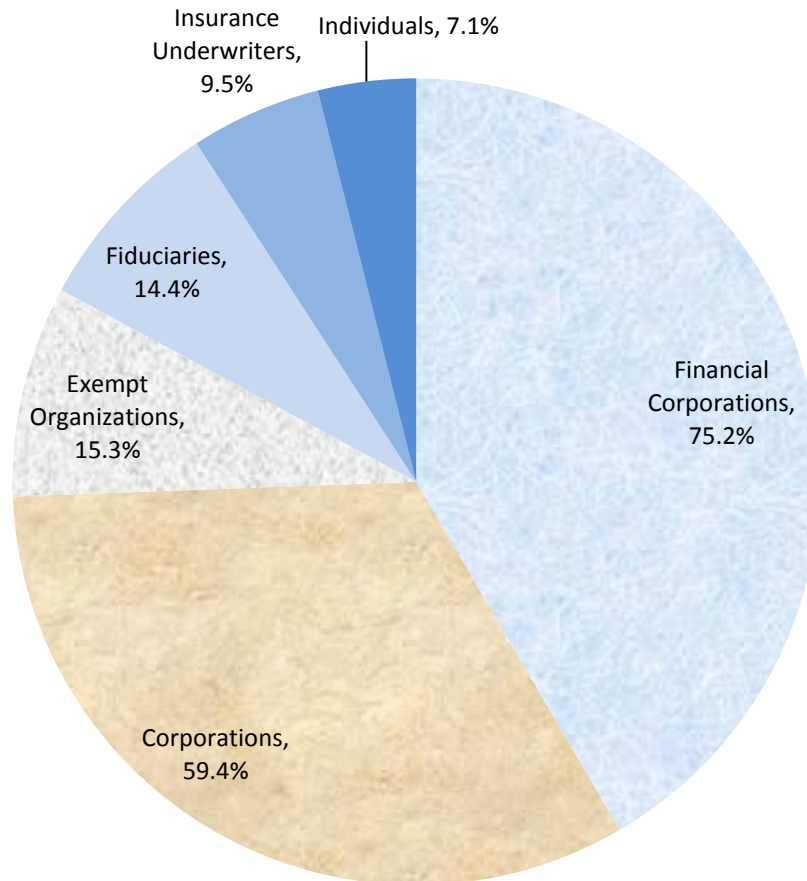


Figure 2 shows the amount of tax credits as a proportion of total tax liability by taxpayer type in tax year 2016.<sup>7</sup> Financial corporations had the largest percentage of tax credits against their tax liability with 75.2% of their tax liability written off by tax credit claims. The second largest percentage reduction of tax liability was by nonfinancial corporations

<sup>7</sup> The total tax liability for insurance underwriters also include surplus lines tax, foreign risk retention group tax and workers compensation special compensation fund levy.

with 59.4% of their tax liability reduced by tax credit claims. Individual taxpayers had the smallest percentage tax reduction due to tax credits (7.1% of their tax liability) although they claimed the largest amount of tax credits. This is because individual taxpayers had the largest tax liability before tax credits (\$2.1 billion) whereas financial corporations only had \$0.03 billion tax liability before tax credits in tax year 2016.

**Figure 2**  
**Amount of Tax Credits as a Proportion of Total Tax Liability by Taxpayer Type in Tax Year 2016**



As shown in Table 3, the largest tax credit by dollar value was the renewable energy technologies tax credit which, along with a small amount of carryovers of the energy conservation tax credit, amounted to \$85.8 million, or 29.7% of the total tax credits claimed in tax year 2016. The second largest tax credit was income taxes paid to another state or foreign country, which amounted to \$43.4 million, or 15% of the total.

**Table 3**  
**Distribution of Tax Credits in Tax Year 2016**

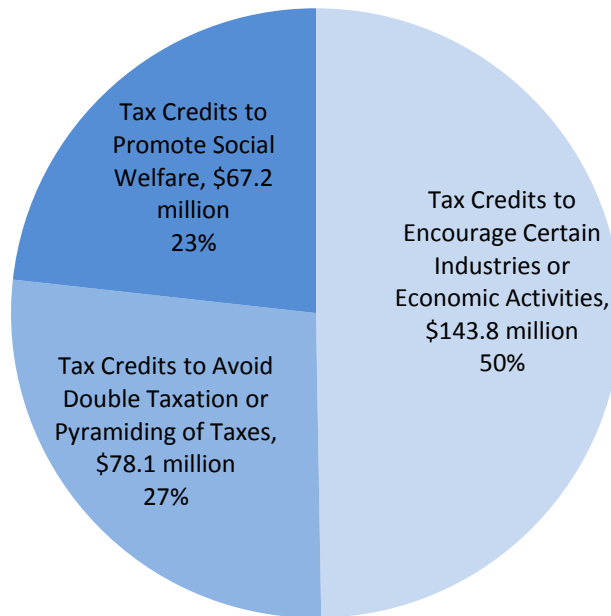
	Amount (in \$1,000)	% of Total
<b>Total, All Tax Credits</b>	\$289,112	100.0
<b>Active Tax Credits</b>		
<b>Tax Credits to Promote Social Welfare</b>		
Refundable Food/Excise Tax Credit	\$30,773	10.6
Tax Credit for Low-Income Household Renters	\$2,726	0.9
Tax Credit for Child and Dependent Care Expenses	\$10,053	3.5
Tax Credit for Child Passenger Restraint Systems	\$70	0.0
Tax Credit for Employment of Vocational Rehabilitation Referrals	\$14	0.0
Low-Income Housing Tax Credit	\$23,541	8.1
Tax Credit for School Repair and Maintenance	\$0	0.0
Lifeline Telephone Service Tax Credit	\$48	0.0
<b>Tax Credits to Encourage Certain Industries or Economic Activities</b>		
Fuel Tax Credit for Commercial Fishers	\$373	0.1
Motion Picture, Digital Media, and Film Production Income Tax Credit	\$31,902	11.0
Renewable Energy Technologies Income Tax Credit	\$85,799	29.7
Enterprise Zone Tax Credit	\$748	0.3
Ethanol Facility Tax Credit	-	-
Important Agricultural Land Qualified Agricultural Cost Tax Credit	\$1,375	0.5
Tax Credit for Research Activities	\$3,102	1.1
Capital Infrastructure Tax Credit	\$1,431	0.5
Cesspool Upgrade, Conversion or Connection Income Tax Credit	\$19	0.0
<b>Tax Credits to Avoid Double Taxation or Pyramiding of Taxes</b>		
Capital Goods Excise Tax Credit	\$34,715	12.0
Income Tax Paid to Another State or Foreign Country	\$43,428	15.0
<b>Expired Tax Credits</b>		
<b>Tax Credits to Promote Social Welfare</b>		
Individual Development Account Contribution Tax Credit	<i>d</i>	<i>d</i>
<b>Tax Credits to Encourage Certain Industries or Economic Activities</b>		
High Technology Business Investment Tax Credit	\$16,331	5.6
Energy Conservation Tax Credit*	*	*
Hotel Construction and Remodeling Tax Credit	\$1,213	0.4
Technology Infrastructure Renovation Tax Credit	<i>d</i>	<i>d</i>
Residential Construction and Remodeling Tax Credit	\$1,490	0.5

\* Data for the energy conservation tax credit are included with the renewable energy technologies tax credit.

Note: "*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.

Figure 3 shows the amount of tax credits by purpose of the tax credit in tax year 2016. The largest amount claimed was for encouraging certain industries or economic activities which amounted to \$143.8 million or 50% of total credits claimed followed by tax credits to avoid double taxation or pyramiding of taxes (\$78.1 million, or 27%) and tax credits to promote social welfare (\$67.2 million, or 23%).

**Figure 3**  
**Amount of Tax Credits by Purpose of the Tax Credit in Tax Year 2016**



Appendix Table A-2 shows details on the number of tax returns with claims for each type of tax credit by type of taxpayer for tax year 2016. The tax credits most frequently claimed were the refundable food/excise tax credit (claimed on 254,463 individual income tax returns, or 35.1% of these returns), the tax credit for low-income household renters (claimed on 26,709 individual income tax returns, or 3.7% of these returns) and the tax credit for child and dependent care expenses (claimed on 26,233 individual income tax returns, or 3.6% of these returns). For nonfinancial and financial corporations, fiduciaries, and exempt organizations the most frequently claimed tax credit was capital goods excise tax credit. The capital goods excise tax credit was claimed on 952 nonfinancial corporation income tax returns (or 5.3% of these returns), 19 financial corporation income tax returns (or 7.5% of these returns), 94 fiduciary income tax returns (or 0.6% of these returns), and 7 exempt organization income tax returns (or 1.1% of these returns). For insurance underwriters, low-income housing tax



credit was the most frequently claimed (on 16 insurance underwriter income tax returns, or 1.6% of these returns).

Appendix Table A-3 shows the dollar amounts of the claims for each tax credit made by individuals, broken down by tax district for tax year 2016. Of the \$149.6 million in tax credits claimed by individuals for the tax year, \$101.2 million (67.7%) was claimed by individuals in Oahu,<sup>8</sup> \$20.3 million (13.6%) was claimed by individuals in Maui, \$17.8 million (11.9%) was claimed by individuals in Hawaii, and \$10.2 million (6.8%) was claimed by individuals in Kauai. Appendix Table A-4 shows the number of individual income tax returns with claims for each tax credit by tax district.

Appendix Tables A-5 and A-6 show the dollar amounts and number of claims made by individuals, respectively, for each tax credit in tax year 2016, broken down by income class as determined by Hawaii AGI.<sup>9</sup> Individual taxpayers with Hawaii AGI less than \$10,000 claimed a total of \$18 million in tax credits for the tax year, which was more than double their aggregate tax liability before tax credits of \$7.5 million. The largest tax credits claimed by this income group (with Hawaii AGI less than \$10,000) were the refundable food/excise tax credit (\$12.4 million, or 68.8% of their total tax credits) and the renewable energy technologies tax credit (\$3 million, or 16.8% of their total tax credits). Taxpayers with Hawaii AGI of \$200,000 or more accounted for the largest dollar value of tax credits (\$68.1 million) and also for the largest aggregate tax liability before tax credits (\$764.9 million). The largest tax credits claimed by this income group (with Hawaii AGI of \$200,000 or more) were the tax credit for income taxes paid to another state or foreign country (\$35.8 million, or 52.5% of their total tax credits), the renewable energy technologies tax credit (\$17.7 million, or 26% of their total tax credits), and the capital goods excise tax credit (\$5.9 million, or 8.7% of their total tax credits). The largest tax credit claimed by taxpayers with Hawaii AGI of \$10,000 to \$29,999 and taxpayers with Hawaii AGI of \$30,000 to \$59,999 was the refundable food/excise tax credit. For the \$10,000 to \$29,999 income group, the refundable food/excise tax credit amounted to \$13.5 million, or 69.7% of the group's total tax credits; and for the \$30,000 to \$59,999 income group, this tax credit amounted to \$4.8 million, or 39.3% of the group's total tax credits. Finally, the largest tax credit claimed by taxpayers with Hawaii AGI of \$60,000 to \$99,999, and taxpayers with Hawaii AGI of \$100,000 to \$199,999 was the renewable energy technologies tax credit. For the \$60,000 to \$99,999 income group, the renewable energy technologies tax credit amounted to \$6.9 million, or 63% of the group's total tax credits; and for the \$100,000 to

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<sup>8</sup> The total for Oahu includes tax credits claimed on Form N-15 by nonresidents who had an out-of-state address.

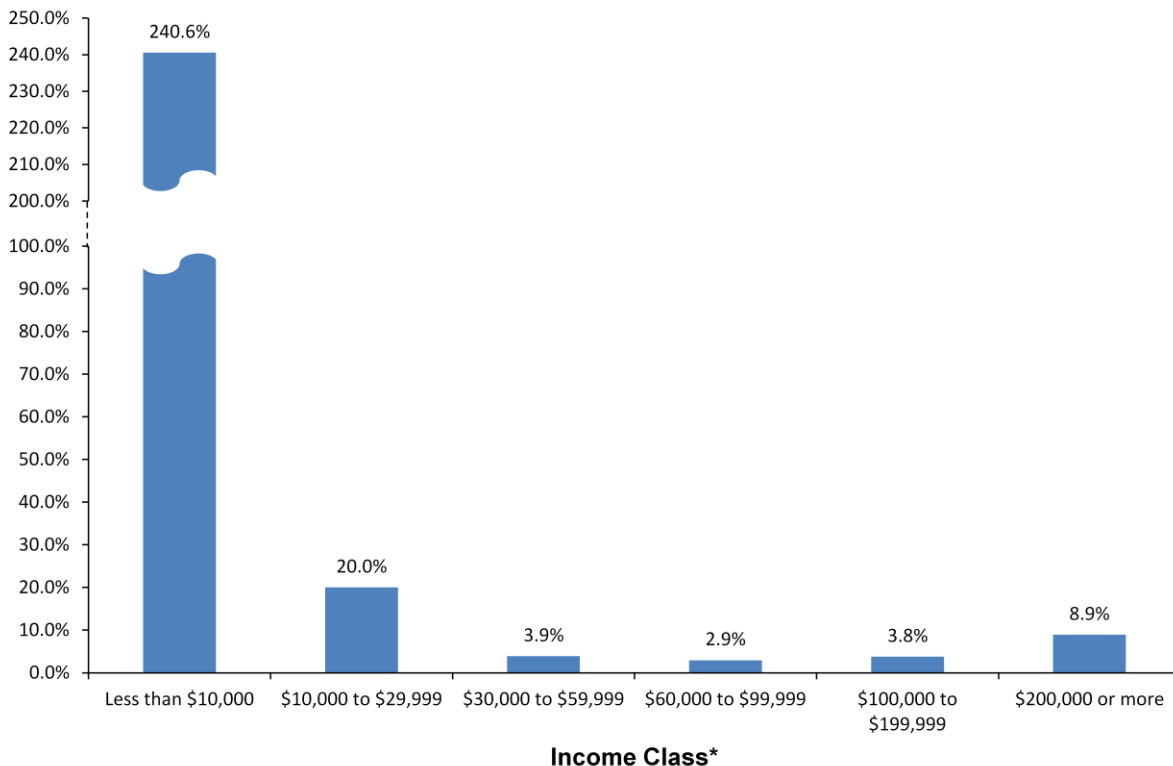
<sup>9</sup> The Hawaii AGI of part-year residents and nonresidents who filed Form N-15 is measured as their total AGI, which includes income not subject to Hawaii income tax, and it is the global income of the taxpayer measured in the same way that global income of residents is measured.

\$199,999 income group, this tax credit amounted to \$12.7 million, or 60.8% of the group's total tax credits.

Figure 4 shows the amount of tax credits claimed by individuals as a proportion of their total tax liability by income class in tax year 2016. The amount of tax credits claimed by individual taxpayers with Hawaii AGI of less than \$10,000 was 240.6% of their aggregate tax liability before tax credits. Then, among the income groups with amounts of tax credits less than their tax liability, taxpayers with Hawaii AGI of \$10,000 to \$29,999 claimed the largest percentage (20%) of tax credits against their tax liability, while taxpayers with Hawaii AGI of \$60,000 to \$99,999 claimed the smallest (2.9%).

Appendix B provides a history of Hawaii's tax credits. The chart in Appendix Table B-1 shows the tax credits in existence in each year since 1965. Appendix Table B-2 provides an outline showing the historic development of the tax credits and the year in which each tax credit was enacted.

**Figure 4 Amount of Tax Credits Claimed by Individuals as a Proportion of Their Total Tax Liability by Income Class in Tax Year 2016**



\* Income class is measured using Hawaii AGI for Form N-11 and total AGI for Form N-15.

## 4. DESCRIPTIONS AND ANALYSES OF THE TAX CREDITS

This section describes the tax credits available for tax year 2016, including expired tax credits for which unused credits could be carried forward and applied against tax liability in tax year 2016. It also compares the amount of each tax credit that was claimed in tax year 2016 to the previous two years. Appendix Table A-7 shows the dollar amounts and number of claims made for each tax credit in tax years 2014, 2015, and 2016.

### 4.1. Active Tax Credits

#### 4.1.1. *Tax Credits to Promote Social Welfare*

##### Refundable Food/Excise Tax Credit (HRS §235-55.85)

The refundable food/excise tax credit was introduced for tax year 2008 by Act 211, Session Laws of Hawaii (SLH) 2007, to replace the low-income refundable tax credit. Later, Act 223, SLH 2015 amended this tax credit for taxable years 2016 to 2017 to increase the tax credit amount and remove the residency requirement. To claim the tax credit, the taxpayer must have a federal adjusted gross income (adjusted gross income as defined by the Internal Revenue Code) of less than \$50,000 if filing status is Married Filing Jointly, Married Filing Separately, Head of Household, or Qualifying Widower, and less than \$30,000 if filing status is Single.

The tax credit is computed by multiplying an allowable tax credit amount by the number of qualified exemptions. The qualified exemptions are personal exemptions permitted under Hawaii law, excluding the additional exemptions for being age 65 or older or for having a disability. A person for whom the tax credit is claimed must have been present in Hawaii for more than nine months of the taxable year and cannot have been confined in jail, prison or a youth correctional facility for the entire taxable year. Married persons filing separate tax returns can claim only the tax credit to which they would have been entitled had they filed a joint return. The allowable amount of the tax credit per qualified exemption is based on the taxpayer's income, but parents or guardians of minor children who cannot be claimed as dependents because they receive more than half their support from public agencies (such as the State Department of Human Services) are eligible for the maximum amount of the tax credit (\$110) regardless of their income.

The allowable amounts for tax year 2016 are shown below:

<u>Federal Adjusted Gross Income</u>	<u>Tax Credit per Qualified Exemption</u>
Under \$5,000	\$110
\$5,000 and over but under \$10,000	\$100
\$10,000 and over but under \$15,000	\$85
\$15,000 and over but under \$20,000	\$70
\$20,000 and over but under \$30,000	\$55
\$30,000 and over but under \$40,000	\$45
\$40,000 and over but under \$50,000	\$35
\$50,000 and over	\$0

The refundable food/excise tax credit was the most commonly claimed tax credit in tax year 2016. The tax credit appeared on 254,463 individual income tax returns, or 35.1% of the total number of such returns filed for the tax year (725,467 returns). Claims for the tax credit totaled \$30.8 million for tax year 2016, up from the \$26.9 million claimed for tax year 2015 and \$27.7 million for tax year 2014. This reflects the increase in the tax credit amounts by Act 223, SLH 2015 for tax year 2016, although the number of individual income tax returns claiming this tax credit went down. The number of claims was 325,283 for tax year 2014 and 323,283 for tax year 2015, which went down to 254,463 for tax year 2016.

#### Tax Credit for Low-Income Household Renters (HRS §235-55.7)

Taxpayers who rented residential real property during the taxable year may qualify for the refundable tax credit for low-income household renters. To claim the tax credit, the taxpayer must be a Hawaii resident with Hawaii AGI of less than \$30,000 who is not claimed or eligible to be claimed as a dependent by another taxpayer. Furthermore, the taxpayer must have paid more than \$1,000 in annual rent for real property in Hawaii that was the taxpayer's residence (or the residence of the taxpayer's immediate family) and that was not wholly or partially exempt from the real property tax. Married persons filing separate tax returns must combine their Hawaii AGI to determine their eligibility for the tax credit. If a rental unit is shared with another person, the individual's portion of the rent is used to determine eligibility.

The tax credit is computed by multiplying \$50 by the number of personal exemptions permitted under Hawaii law, including the additional exemption for being age 65 or older. A person for whom the tax credit is claimed must have physically resided in Hawaii for more than nine months of the taxable year.

The \$30,000 income limitation has not been changed since 1989, when it was raised from \$20,000. The amount of the tax credit per exemption was raised from \$20 to \$50 in 1981, but has remained unchanged since then, despite substantial rises in the cost of housing.

The renter's tax credit was claimed on 26,709 individual income tax returns for tax year 2016. It was the second most commonly claimed tax credit. The amount claimed for tax year 2016 totaled \$2.7 million, down from \$3.3 million claimed for tax year 2015 and \$3.6 million for tax year 2014.

Tax Credit for Child and Dependent Care Expenses (HRS §235-55.6)

A resident taxpayer who is gainfully employed and who pays for the care of a child under 13 years of age or for a spouse or dependent incapable of self care qualifies for the child and dependent care tax credit. The tax credit can be taken for care expenses up to \$2,400 for one qualified individual and up to \$4,800 for two or more qualified individuals. Allowable expenses may not exceed the taxpayer's earned income. For joint tax returns, the amount may not exceed the income of the spouse with the lower earned income.

The tax credit is refundable and the amount ranges from 15% to 25% of qualified care expenses, with the rate declining as Hawaii AGI increases. The credit was amended by Act 235, SLH 2016 to change the percentages and adjusted gross income ranges for calculating the credit for taxable years beginning after December 31, 2015. The tax credit schedule for tax year 2016 is shown below:

<u>Hawaii Adjusted Gross Income</u>	<u>Percent of Allowable Expenses</u>
Under \$25,001	25%
\$25,001 - \$30,000	24%
\$30,001 - \$35,000	23%
\$35,001 - \$40,000	22%
\$40,001 - \$45,000	21%
\$45,001 - \$50,000	20%
\$50,001 and over	15%

For tax year 2016, the dependent care tax credit was the third most commonly claimed tax credit and was reported on 26,233 individual income tax returns. The amount claimed for tax year 2016 totaled \$10.1 million, up from \$9.5 million claimed for tax years 2015 and 2014. This increase reflects the changes in the adjusted gross income ranges for the tax credit by Act 235, SLH 2016 for tax year 2016, although the number

of individual income tax returns claiming this tax credit went down slightly (from 26,372 for tax year 2015, and 26,299 for tax year 2014 to 26,233 in tax year 2016).

#### Tax Credit for Child Passenger Restraint Systems (HRS §235-15)

An individual taxpayer who buys a new child passenger restraint system that complies with the federal motor vehicle safety standards in effect at the time of purchase may claim a tax credit of \$25 for the tax year, regardless of the cost of the restraint system or the number of restraint systems bought during the year. The tax credit, which is refundable, was enacted in 1982 to encourage people to buy child restraint systems, but the systems became mandatory in the following year. For tax year 2016, the tax credit was claimed on 2,813 individual income tax returns and the total amount claimed was \$70,000, down from \$74,000 claimed for tax year 2015 and \$72,000 for tax year 2014.

#### Tax Credit for Employment of Vocational Rehabilitation Referrals (HRS §235-55.91)

A taxpayer who employs an individual who is certified by the Vocational Rehabilitation and Services for the Blind Division of the Department of Human Services, in consultation with the Hawaii State Employment Service of the Department of Labor and Industrial Relations, as having a physical or mental disability that results in a substantial handicap to employment, or who has been referred upon completion of certain rehabilitation plans, may qualify for a tax credit. The tax credit is equal to 20% of the qualifying first-year wages for the taxable year, up to \$6,000, and is nonrefundable. The tax credit was claimed on 6 tax returns for tax year 2016 and the total amount claimed was \$14,000, up from \$10,000 claimed for tax year 2015 and \$7,000 for tax year 2014.

#### Low-Income Housing Tax Credit (HRS §235-110.8 and §241-4.7, §431:7-208)

Owners of residential buildings who provide low-income housing may claim the low-income housing tax credit. This nonrefundable tax credit is equal to a percentage of the "applicable percentage" of qualified basis, where the applicable percentage is calculated as provided under section 42 of the Internal Revenue Code. The percentage is 30% for buildings placed in service prior to July 1, 2005, and 50% for buildings placed in service after June 30, 2005. Act 158, SLH 2011 allows the taxpayer to elect to receive a low-income housing loan in lieu of the tax credit after July 1, 2011. The tax credit was claimed on 45 tax returns for tax year 2016 and the total amount claimed was \$23.5 million, up from claims of \$19.5 million for tax year 2015 and \$18.2 million for tax year 2014.

#### Tax Credit for School Repair and Maintenance (HRS §235-110.2)

Act 309, SLH 2001, allows licensed contractors to claim a 10% nonrefundable tax credit, up to \$4,000, on the fair-market value of repair and maintenance services provided at no cost to public schools. The tax credit was claimed on 6 tax returns for tax

year 2016 and the total amount claimed was only \$339. Data on the tax credit for tax years 2014 and 2015 were suppressed to prevent potential disclosure of confidential taxpayer information.

#### Lifeline Telephone Service Tax Credit (HRS §239-6.5)

Lifeline telephone service is available to elderly and disabled residential telephone subscribers who have an annual income less than \$10,000. The Public Utilities Commission determines and certifies the lifeline service costs. The telephone public utility may claim a nonrefundable tax credit equal to the sum of foregone revenues and the administrative costs of providing the telephone service to the eligible individuals.

The tax credit was claimed on behalf of 1,767 subscribers as of the end of calendar year 2016 and the amount claimed by the public utility for tax year 2016 was \$48,000, down from \$54,000 claimed for tax year 2015 and \$58,000 for tax year 2014.

#### *4.1.2. Tax Credits to Encourage Certain Industries or Economic Activities*

#### Fuel Tax Credit for Commercial Fishers (HRS §235-110.6)

The principal operator of a commercial fishing vessel may claim a refundable tax credit for certain fuel taxes paid during the taxable year. The amount of the tax credit is equal to the fuel taxes imposed under section 243-4(a), HRS. The tax credit was claimed on 169 tax returns for tax year 2016 and the total amount claimed was \$373,000, up from \$294,000 claimed for tax year 2015 and \$293,000 for tax year 2014.

#### Motion Picture, Digital Media, and Film Production Income Tax Credit (HRS §235-17)

For taxable years beginning after December 31, 2012, taxpayers could claim a refundable tax credit equal to 20% of qualified production costs incurred in the City and County of Honolulu before January 1, 2019 and 25% for qualified production costs incurred in the Kauai, Maui, or Hawaii counties before January 1, 2019. The total tax credits allowed for a single qualified production was capped at \$15 million. The tax credit was claimed on 36 tax returns for tax year 2016 and the total amount claimed was \$31.9 million, down from \$39.9 million claimed for tax year 2015 and \$34.4 million for tax year 2014. The tax credit was the fourth largest in terms of the amount claimed for tax year 2016.

#### Renewable Energy Technologies Tax Credit (HRS §235-12.5 and §241-4.6)

Taxpayers who installed a renewable energy technology system (solar thermal energy system, wind powered energy system, or photovoltaic energy system) and placed it in service after June 30, 2003, may claim the renewable energy technologies tax credit. The tax credit applies to the actual cost of the system, including the cost of accessories

and installation, but not to the cost of consumer incentive premiums that are unrelated to the operation of the system.

For systems installed and placed in service after July 1, 2006, the tax credit was 35% of the cost for solar thermal systems and photovoltaic systems, and 20% of the cost for wind powered systems. For single-family residential properties, the amount of the tax credit was capped at \$2,250 for solar thermal systems, \$5,000 for photovoltaic systems, and \$1,500 for wind powered systems. For commercial properties, the tax credit was capped at \$500,000 for wind powered systems and for photovoltaic systems, and at \$250,000 for solar thermal systems. For multifamily residential properties, the tax credit per residential unit was capped at \$350 for solar thermal systems and photovoltaic systems, and at \$200 for wind powered systems. Act 154, SLH 2009 made the tax credit refundable for certain low income taxpayers and gave other taxpayers the option to claim the tax credit as refundable by accepting a 30% reduction in the amount of the tax credit. The Act was effective for systems installed and placed in service on or after July 1, 2009.

According to the new Administrative Rules that came into effect during tax year 2013, to gain tax credit for a system classified under "other solar energy system" such as a photovoltaic system, each system was required to have a total output capacity of at least 5 kilowatts for single-family residential properties, or 0.360 kilowatts per unit per system for multi-family residential properties, or 1,000 kilowatts for commercial properties unless an exception applies, such as only one credit being claimed or only one system does not meet the requirement.

Table 4 shows the number of returns and the amount of the tax credit claimed for the renewable energy technologies tax credit, and also for carryovers of the energy conservation tax credit that expired on June 30, 2003. The first part of the table shows carryovers of tax credits for the renewable energy systems that were installed and placed in service prior to July 1, 2009, along with carryovers of the energy conservation tax credit and carryovers of the renewable energy technologies tax credit for which the date of installation could not be determined. Carryovers of these tax credits were reported on 504 tax returns for tax year 2016 and the amounts claimed totaled \$2 million, up from \$1.6 million claimed for tax year 2015.

The second and third parts of Table 4 show the renewable energy tax credit for systems that were installed on or after July 1, 2009, by type of system, by type of taxpayer, and by whether the claim was for a refundable or nonrefundable tax credit. Because unused tax credits can be carried over, and extensions of existing systems made in later years are also eligible for the tax credit, the number of returns claiming the credit in a year may be larger than the number of new systems installed that year. The tax credit for systems installed and placed in service on or after July 1, 2009 was claimed on 11,078



returns for tax year 2016 and the amounts claimed totaled \$83.8 million, down from \$96.9 million claimed for tax year 2015.

Claims for all systems, including carryovers of the energy conservation tax credit, totaled \$85.8 million for tax year 2016, down from the \$98.6 million claimed for these tax credits in tax year 2015 and \$112.1 million for tax year 2014. This was the largest tax credit in terms of the amount claimed in tax year 2016.

**Table 4**  
**Claims for the Renewable Energy Technologies Income Tax Credit and the Energy Conservation Tax Credit in Tax Year 2016**

<b>Carryover of the tax credit for systems installed and placed in service before July 1, 2009 1/</b>						
<b>Number of returns</b>				<b>Credit amount (in \$1,000) 3/</b>		
All	Individuals	Corporations and others 2/	All	Individuals	Corporations and others 2/	
504	480	24	\$2,023	\$736	\$1,287	

<b>Refundable tax credits for systems installed and placed in service on or after July 1, 2009</b>						
<b>Number of returns</b>				<b>Credit amount (in \$1,000) 3/</b>		
	All	Individuals	Corporations and others 2/	All	Individuals	Corporations and others 2/
Solar only	1,871	1,855	16	\$21,134	\$10,500	\$10,634
Wind only	3	3	-	\$1	\$1	-
Breakdown unknown	71	48	23	\$20,325	\$908	\$19,418
<b>Total</b>	<b>1,945</b>	<b>1,906</b>	<b>39</b>	<b>\$41,460</b>	<b>\$11,408</b>	<b>\$30,052</b>

<b>Nonrefundable tax credits for systems installed and placed in service on or after July 1, 2009</b>						
<b>Number of returns</b>				<b>Credit amount (in \$1,000) 3/</b>		
	All	Individuals	Corporations and others 2/	All	Individuals	Corporations and others 2/
Solar only	8,699	8,644	55	\$39,496	\$32,093	\$7,403
Wind only	12	12	-	\$15	\$15	-
Breakdown unknown	422	388	34	\$2,805	\$2,129	\$677
<b>Total</b>	<b>9,133</b>	<b>9,044</b>	<b>89</b>	<b>\$42,317</b>	<b>\$34,237</b>	<b>\$8,080</b>

1/ Includes carryovers of the energy conservation tax credit given by section 235-12, HRS, and carryovers of the renewable energy technologies tax credit for which the date of installation could not be determined.

2/ Includes nonfinancial corporations, fiduciaries, nonprofit organizations and financial corporations.

3/ Details may not add to totals due to rounding.

### Enterprise Zone Tax Credit (HRS §209E-10, §209E-11)

A qualified business located in a designated enterprise zone may claim a tax credit equal to a percentage of its net income tax liability and of the unemployment insurance premiums it paid for employees located in the enterprise zone. In the first year, the tax credit is 80% of the qualified amounts. The percentage decreases by 10 points each year, until it reaches 20% in the seventh year, after which the business is no longer eligible for the tax credit. The tax credit is nonrefundable and any unused tax credit may not be carried forward. The tax credit was claimed on 87 tax returns for tax year 2016 and the amounts claimed totaled \$748,000, down from \$890,000 claimed for tax year 2015 and \$1 million for tax year 2014.

### Ethanol Facility Tax Credit (HRS §235-110.3)

The ethanol facility tax credit is meant to encourage construction of large-capacity ethanol production facilities. The amount of the tax credit is equal to 30% of the ethanol production facility's nameplate capacity if that capacity is greater than 500,000 but less than 15 million gallons. The nameplate capacity is the annual production capacity of a facility, measured in gallons, based on an operating year of 350 days. The tax credit is refundable and is limited to 100% of the investments made by the taxpayer in the ethanol production facility. The facility must also meet certain production requirements, and must be in production on or before January 1, 2017. Taxpayers who claim the tax credit are prohibited from claiming or receiving any other tax credit for the same taxable year. The total amount of ethanol facility tax credits is capped at \$12 million per year. The tax credit was effective for taxable years beginning after December 31, 2003. No claims for the tax credit were made for tax years 2016, 2015, and 2014.

### Important Agricultural Land Qualified Agricultural Cost Tax Credit (HRS §235-110.93)

The important agricultural land tax credit is awarded for qualified agricultural costs incurred after July 1, 2008 and it is refundable. In the first year, the tax credit per taxpayer is the lesser of 25% of the qualified agricultural costs or \$625,000. In the second year, the tax credit is the lesser of 15% of the qualified costs or \$250,000, and in the third year the tax credit is the lesser of 10% of the qualified costs or \$125,000. More than 50% of the land used by the agricultural business must be deemed "important agricultural land." Tax credits must be certified by the Department of Agriculture and the aggregate amount of credits claimed cannot exceed \$7.5 million in any tax year. The number of returns claiming this credit has been suppressed to prevent potential disclosure of confidential taxpayer information for tax years 2015 and 2016. The total amount claimed was \$1.4 million for tax year 2016 up from \$388,000 for tax year 2015. The tax credit was not available for tax year 2014, because the Department of Agriculture had not certified any claims for the tax credit.

#### Tax Credit for Research Activities (HRS §235-110.91)

The tax credit for research activities was reinstated by Act 270, SLH 2013. This refundable tax credit is available for tax years beginning after December 31, 2012, but expires after December 31, 2019. Each qualified high technology business subject to Hawaii's income tax can claim an income tax credit for qualified research activities equal to the federal credit for increasing research activities provided by Internal Revenue Code (IRC) section 41, provided that the qualified high technology business also claims a federal tax credit for the same qualified research activities under IRC section 41. Qualified research expenses cannot include research expenses incurred outside Hawaii and it needs to be certified by the Department of Taxation.

The tax credit was claimed on 58 tax returns for tax year 2016 and the amounts claimed totaled \$3.1 million, up from \$2.9 million claimed for tax years 2015 and 2014.

#### Capital Infrastructure Tax Credit (HRS §235-17.5, §241-4.4)

Act 200, SLH 2014, established the capital infrastructure tax credit for tenants who were relocated due to the Kapalama container terminal modernization project. The tax credit is equal to 50% of the capital infrastructure costs incurred by the qualified infrastructure tenant during the taxable year, up to a maximum of \$1,250,000. The tax credit is nonrefundable and available for taxable years beginning after December 31, 2013, but not for taxable years beginning after December 31, 2019. The tax credit was claimed on 44 tax returns for tax year 2016 and the amounts claimed totaled \$1.4 million, up from \$1.1 million claimed for tax year 2015 and \$989,000 for tax year 2014.

#### Cesspool Upgrade, Conversion or Connection Income Tax Credit (HRS §235-16.5)

Act 200, SLH 2014, established the credit for the costs to upgrade or convert a qualified cesspool into a septic system or an aerobic treatment unit system, or to connect a qualified cesspool to a sewer system, effective for taxable years beginning after December 31, 2015. This nonrefundable tax credit is equal to the qualified expenses of the taxpayer, up to a maximum of \$10,000 per cesspool, or \$10,000 per residential dwelling connected to a residential large capacity cesspool. The taxpayer is required to obtain a certificate by the Department of Health verifying the qualified expenses and the credit amount for the taxable year, and file this certificate with their tax return. The annual amount of certified credits is capped at \$5 million and any remaining applications for certification above the cap for that taxable year may be carried forward to the subsequent year for certification in that taxable year.

This newly established tax credit was claimed on 6 tax returns for tax year 2016 and the amounts claimed totaled \$19,000.

### *4.1.3. Tax Credits to Avoid Double Taxation or Pyramiding of Hawaii Taxes*

#### Capital Goods Excise Tax Credit (HRS §235-110.7, §241-4.5)

Businesses may claim the capital goods excise tax credit for the purchase of eligible depreciable tangible personal property used in a trade or business in Hawaii. The tax credit is refundable and is equal to 4% of the qualifying cost of the eligible property, which excludes costs deducted under Internal Revenue Code Section 179. The tax credit serves to reduce pyramiding of the General Excise Tax (GET) by rebating the GET on business-to-business purchases that consist of eligible capital equipment. The cost of such capital equipment ultimately must be recaptured in the price of goods or services it is used to help produce, so without the rebate, the price of the produced goods or services would include the tax on the capital equipment.

The tax credit was claimed on 4,161 tax returns for tax year 2016 and the amounts claimed totaled \$34.7 million, up from \$30.2 million claimed for tax year 2015 and \$28.3 million for tax year 2014. The tax credit was the third largest in terms of the amount claimed in tax year 2016.

#### Income Tax Paid to Another State or Foreign Country (HRS §235-55)

A Hawaii resident individual or other person may claim a credit for income taxes paid to another state or to a foreign country if the income was earned in the other state or country and is not exempt from Hawaii or federal income tax, and if certain other requirements are met. This nonrefundable tax credit was claimed on 8,507 tax returns for tax year 2016 and the amounts claimed totaled \$43.4 million, down from \$45 million claimed for tax year 2015 but up from \$38.4 million claimed for tax year 2014. The tax credit was the second largest in terms of the amount claimed in tax year 2016.

## **4.2. Expired Tax Credits**

### *4.2.1. Tax Credits to Promote Social Welfare*

#### Individual Development Account Contribution Tax Credit (HRS §235-5.6)

The individual development account (IDA) program was intended to encourage people with low income to save towards specific long-term goals, including obtaining a postsecondary education, buying a first home, and starting a small business. Program participants enrolled with a fiduciary organization, which provided matching funds for their deposits. A nonrefundable tax credit was allowed for persons donating money to the fiduciary organization for use as matching funds. The tax credit was equal to 50% of the amount donated. Donations qualifying for the tax credit could not be claimed as a deduction for charitable contributions. The tax credit was effective for taxable years

2000 to 2004 with an aggregate limit of \$1 million. Data on the tax credit for tax years 2016 and 2014 were suppressed to prevent potential disclosure of confidential taxpayer information and there were no claims for tax year 2015.

*4.2.2. Tax Credits to Encourage Certain Industries or Economic Activities*

High Technology Business Investment Tax Credit (HRS §235-110.9, §241-4.8, §431:7-209)

Taxpayers were allowed to claim the high technology business investment tax credit for tax years beginning after December 31, 1998. As originally enacted, the tax credit was nonrefundable and equal to 10% of investments made on or after July 1, 1999 in a qualified high technology business, up to a maximum credit amount of \$500,000. Act 221, SLH 2001, expanded the tax credit to 100% of the qualified investment, up to a maximum of \$2 million per investment. The tax credit was claimed over five years as follows:

	<u>Tax Credit Percentage</u>	<u>Tax Credit Limitation</u>
Year of investment	35%	\$700,000
Year 2	25%	\$500,000
Year 3	20%	\$400,000
Year 4	10%	\$200,000
Year 5	10%	\$200,000

Taxpayers who had previously claimed the 10% investment tax credit for tax years 1999 or 2000 were able to claim the tax credit for tax years 2001 and later as applicable under the amended law. For investments made after May 1, 2009, and for taxable years beginning on or after January 1, 2009 and ending before January 1, 2011, no claim for the tax credit could exceed 80% of the taxpayer’s tax liability. The tax credit expired for taxable years beginning after December 31, 2010, but claims for the tax credit can be made for four years after the year of the investment and carry-overs of the tax credit can continue indefinitely. The tax credit was claimed on 411 tax returns for tax year 2016 and the amounts claimed totaled \$16.3 million, down from \$24.2 million claimed for tax year 2015 and \$37.7 million for tax year 2014.

Energy Conservation Tax Credit (HRS §235-12)

Taxpayers who installed an energy conservation device prior to July 1, 2003, could claim the energy conservation tax credit, which was nonrefundable. The tax credit

applied only to the actual cost of the systems, including accessories and installation, but not the cost of repairs to existing systems.

The tax credit was equal to 35% of the cost of solar systems, 20% of the cost of wind energy systems and heat pumps, and 50% of the cost of ice storage systems. The eligible cost was reduced by any consumer incentive premiums offered with the system. For single-family residential buildings, the tax credit was limited to \$1,750 for solar systems and \$400 for heat pumps. For multiunit residential buildings, the tax credit was limited to \$350 per unit for solar systems and \$200 per unit for heat pumps. There were no limits for hotels, for commercial buildings, for industrial facilities, for wind energy systems, or for ice storage systems. The tax credit expired on June 30, 2003, but unused tax credits may be carried over to subsequent years until exhausted. Data on carryovers of the tax credit are included with those for the renewable energy technologies tax credit.

#### Hotel Construction and Remodeling Tax Credit (HRS §235-110.4, repealed)

The hotel construction and remodeling tax credit was repealed by Act 9, SLH 2007, but unused credits from claims made prior to the expiration date may be carried forward and applied against tax. Although the tax credit was not repealed until 2007, it was not available for costs incurred in taxable years beginning after December 31, 2005. This nonrefundable tax credit was claimed on 4 tax returns for tax year 2016 and the amount claimed totaled \$1.2 million, up from \$248,000 claimed for tax year 2015 but down from \$3.3 million claimed for tax year 2014.

#### Technology Infrastructure Renovation Tax Credit (HRS §235-110.51)

The technology infrastructure renovation tax credit was nonrefundable and was equal to 4% of costs incurred after December 31, 2000 for planning, designing, installing, constructing, or purchasing equipment to provide a commercial building with technology infrastructure. The tax credit is not available for taxable years beginning after December 31, 2010, but amounts claimed for the tax credit prior to its expiration can be carried forward and applied against tax liability in later years until exhausted. For costs incurred after May 1, 2009, and for taxable years beginning on or after January 1, 2009 and ending before January 1, 2011, no claim for the tax credit could exceed 80% of the taxpayer's tax liability. Data on the tax credit for tax years 2015 and 2016 were suppressed to prevent potential disclosure of confidential taxpayer information and the total amount claimed for tax year 2014 was only \$9,000.

#### Residential Construction and Remodeling Tax Credit (HRS §235-110.45)

Act 10, SLH 2001, Third Special Session, provided a nonrefundable tax credit equal to 4% of home construction or renovation costs incurred after December 31, 2000, up to a

maximum of \$250,000. The tax credit expired on June 30, 2003, but any unused tax credit may be carried over to subsequent years until exhausted. Carryovers of the tax credit were claimed on 34 tax returns for tax year 2016 and the amounts claimed totaled \$1.5 million, up from \$826,000 claimed for tax year 2015 and \$195,000 for tax year 2015.

# **APPENDIX A**

## **STATISTICAL TABLES**



