
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The legislature finds that the costs of
2 weather-related natural disasters may be substantial. Hurricane
3 Katrina caused an estimated \$160 billion in damage in 2005. In
4 2017, Hurricane Harvey and Hurricane Maria caused an estimated
5 \$125 billion and \$90 billion in damage, respectively.

6 The legislature further finds that individual mitigation
7 measures reduce the potential danger persons face and save money
8 for state residents. The National Institute of Building
9 Sciences' *Natural Hazard Mitigation Saves: 2017 Interim Report*
10 found that for every dollar spent on hurricane mitigation
11 measures, five dollars are saved. Further, according to the
12 Hawaii emergency management agency, the State will face a
13 shortage of shelter space in the event of a weather-related
14 natural disaster. This shortage may be partially offset by
15 strengthening residences.

16 Thus, the purpose of this Act is to incentivize homeowners
17 to implement measures that mitigate the damage that may be



1 caused by hurricanes by providing a tax credit for the purchase
2 and installation of wind resistive devices.

3 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
4 amended by adding a new section to be appropriately designated
5 and to read as follows:

6 "§235- Wind resistive device tax credit. (a) There
7 shall be allowed to each taxpayer subject to the tax imposed by
8 this chapter, a wind resistive device tax credit which shall be
9 applied against the taxpayer's net income tax liability, if any,
10 imposed by this chapter for the taxable year in which the credit
11 is properly claimed.

12 (b) The amount of the credit shall be _____ per cent of
13 the costs incurred during the taxable year for purchasing and
14 installing wind resistive devices in a non-condominium
15 residential dwelling owned by the taxpayer and located in the
16 State.

17 (c) Every taxpayer claiming a credit under this section
18 shall file all necessary documentation as required by the
19 insurance commissioner and a written verification by an
20 inspector, who is qualified as determined by the insurance
21 commissioner, stating that the installation of the wind



1 resistive device is complete and is in compliance with the
2 specifications, guidelines, and requirements, as determined
3 pursuant to subsection (d) (1).

4 (d) The insurance commissioner shall:

5 (1) Develop and determine, without regard to chapter 91,
6 the description, specifications, guidelines, and
7 requirements for the following:

8 (A) Uplift restraint ties at roof ridges and roof
9 framing members to wall or beam supports;

10 (B) Additional fastening of roof sheathing and roof
11 decking for high wind uplift;

12 (C) Impact and pressure resistant exterior opening
13 protective devices; and

14 (D) Wall to foundation uplift restraint connections
15 strengthening for wood foundation posts on
16 footings;

17 provided that the insurance commissioner, in the
18 insurance commissioner's sole discretion, may amend,
19 narrow, or expand the definitions, descriptions,
20 specifications, and requirements of the wind resistive
21 devices;



- 1 (2) Certify the purchase and installation of wind
- 2 resistive devices; and
- 3 (3) Certify the amount of the tax credit for each
- 4 taxpayer.

5 Upon each determination, the insurance commissioner shall issue
6 a certificate to the taxpayer verifying the purchase and
7 installation of wind resistive devices and the credit amount
8 certified for the taxpayer. The taxpayer shall file the
9 certificate with the taxpayer's tax return with the department.

10 (e) If the tax credit under this section exceeds the
11 taxpayer's income tax liability, the excess of credit over
12 liability may be used as a credit against the taxpayer's income
13 tax liability in subsequent years until exhausted. All claims,
14 including amended claims, for a tax credit under this section
15 shall be filed on or before the end of the twelfth month
16 following the close of the taxable year for which the credit may
17 be claimed. Failure to comply with the foregoing provision
18 shall constitute a waiver of the right to claim the credit.

19 (f) The director of taxation:

- 20 (1) Shall prepare any forms that may be necessary to claim
- 21 a tax credit under this section;



1 (2) May require the taxpayer to furnish information to
2 ascertain the validity of the claim for the tax credit
3 made under this section; and

4 (3) May adopt rules pursuant to chapter 91 necessary to
5 effectuate the purposes of this section.

6 (g) For the purposes of this section:

7 "Costs incurred" means amounts related to the wind
8 resistive devices under subsection (a), including accessories
9 and installation, but does not include the cost of consumer
10 incentive premiums unrelated to the operation of the devices or
11 offered together with the sale of the devices and costs for
12 which another credit is claimed under this chapter.

13 "Wind resistive devices" means devices and techniques, as
14 identified and determined in accordance with subsection (d)(1),
15 that increase a building's or structure's resistance to damage
16 from wind forces."

17 SECTION 3. New statutory material is underscored.

18 SECTION 4. This Act shall take effect on January 1, 2050,
19 and shall apply to taxable years beginning after December 31,
20 2019.



Report Title:

Wind Resistive Device Tax Credit; Hurricane Preparation

Description:

Establishes a wind resistive device tax credit for the purchase and installation of wind resistive devices in a non-condominium residential dwelling. Requires the Insurance Commissioner to develop and determine the requirements for the wind resistive devices and to certify claims for the tax credit. (HB799 HD1)

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