
A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

1 SECTION 1. Section 235-12.5, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) When the requirements of subsection (d) are met, each
4 individual or corporate taxpayer that files an individual or
5 corporate net income tax return for a taxable year may claim a
6 tax credit under this section against the Hawaii state
7 individual or corporate net income tax. The tax credit may be
8 claimed for every eligible renewable energy technology system
9 that is installed and placed in service in the State by a
10 taxpayer during the taxable year. The tax credit may be claimed
11 as follows:

12 (1) For each solar energy system: thirty-five per cent of
13 the actual cost or the cap amount determined in
14 subsection (b) [~~, whichever is less; or~~]; provided
15 that:

16 (A) For taxable years beginning after December 31,
17 2019, and except as provided in subparagraphs (B)



1 and (C), no tax credit may be claimed for a solar
2 energy system that is five megawatts in total
3 output capacity or larger and requires a power
4 purchase agreement approved by the public
5 utilities commission;

6 (B) A solar energy system that is five megawatts in
7 total output capacity or larger, installed and
8 placed in service pursuant to a power purchase
9 agreement approved or pending approval by a
10 decision and order by the public utilities
11 commission prior to December 31, 2019, shall
12 continue to receive a tax credit equal to thirty-
13 five per cent of the actual cost, or \$500,000 per
14 solar energy system that has a total output
15 capacity of at least one thousand kilowatts per
16 system of direct current, whichever is less; and

17 (C) For each solar energy system integrated with a
18 pumped hydroelectric energy storage system, the
19 tax credit may be claimed for thirty-five per
20 cent of the actual cost or the cap amount
21 determined in subsection (b), whichever is less;



1 provided that applicable project approval filings
2 have been made to the public utilities commission
3 by December 31, 2021; or

4 (2) For each wind-powered energy system: twenty per cent
5 of the actual cost or the cap amount determined in
6 subsection (b), whichever is less;

7 provided further that multiple owners of a single system shall
8 be entitled to a single tax credit; and provided further that
9 the tax credit shall be apportioned between the owners in
10 proportion to their contribution to the cost of the system.

11 In the case of a partnership, S corporation, estate, or
12 trust, the tax credit allowable is for every eligible renewable
13 energy technology system that is installed and placed in service
14 in the State by the entity. The cost upon which the tax credit
15 is computed shall be determined at the entity level.

16 Distribution and share of credit shall be determined pursuant to
17 [~~section 235-110.7(a).~~] administrative rule."

18 SECTION 2. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.



1 SECTION 3. This Act shall take effect upon its approval
2 and shall apply to taxable years beginning after December 31,
3 2019.



Report Title:

Renewable Energy Technologies; Income Tax Credit

Description:

Amends the requirements for each solar energy system to claim the renewable energy technologies income tax credit. (HD2)

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

