
A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY TAX CREDITS.

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 (b) to read as follows:

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

6 (1) If the primary purpose of the solar energy system is
7 to use energy from the sun to heat water for household
8 use, then the cap amounts shall be:

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

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

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

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

16 (A) \$5,000 per system for single-family residential
17 property; provided that if all or a portion of



1 the system is used to fulfill the substitute
2 renewable energy technology requirement pursuant
3 to section 196-6.5(a)(3), the credit shall be
4 reduced by thirty-five per cent of the actual
5 system cost or \$2,250, whichever is less[+] until
6 December 31, 2024, then \$0 per unit per system
7 for taxable years thereafter;

8 (B) [~~\$350~~] \$750 per unit per system for multi-family
9 residential property[+] until December 31, 2024,
10 then \$0 per unit per system for taxable years
11 thereafter; and

12 (C) \$500,000 per system for commercial property[+] until December 31, 2024, then \$0 per system for
13 taxable years thereafter; provided that
14 notwithstanding any other law to the contrary and
15 any amendment made to this section, a power
16 purchase agreement approved by the public
17 utilities commission prior to December 31, 2019,
18 shall receive thirty-five per cent of the actual
19 cost or \$500,000 per megawatt direct current,
20



1 whichever is less, for systems installed under
2 this subparagraph; and

3 (3) For all wind-powered energy systems, the cap amounts
4 shall be:

5 (A) \$1,500 per system for single-family residential
6 property; provided that if all or a portion of
7 the system is used to fulfill the substitute
8 renewable energy technology requirement pursuant
9 to section 196-6.5(a)(3), the credit shall be
10 reduced by twenty per cent of the actual system
11 cost or \$1,500, whichever is less;

12 (B) \$200 per unit per system for multi-family
13 residential property; and

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

15 SECTION 2. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 3. This Act, upon its approval, shall apply to
18 taxable years beginning after December 31, 2019.



Report Title:

Renewable Energy Technologies; Solar; Photovoltaic; Energy Systems; Tax Credit

Description:

Beginning January 1, 2025, eliminates the renewable energy technologies income tax credit for solar energy systems for which the primary purpose is not to heat water. Provides a power purchase agreement for commercial properties that was approved by the Public Utilities Commission prior to 12/31/19 shall receive the tax credit regardless of any amendments made to the renewable energy technologies tax credit law. (SD1)

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