
A BILL FOR AN ACT

RELATING TO WATER CONSERVATION.

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

1 SECTION 1. The legislature finds that water catchment
2 systems can be cost-effective, reliable, and safe fresh water
3 sources that reduce consumer demand on existing fresh water.
4 The legislature further finds that water catchment systems can
5 promote water conservation; mitigate flooding; and conserve
6 energy needed to pump, treat, and transport fresh water for
7 consumer use.

8 The purpose of this Act is to provide a nonrefundable
9 income tax credit for each Hawaii homeowner who installs and
10 places into service a water catchment system that meets certain
11 requirements.

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

15 "§235- Water catchment tax credit. (a) Each qualified
16 taxpayer who files an individual income tax return for a taxable
17 year may claim a nonrefundable income tax credit of \$100 under



1 this section against the taxpayer's net income tax liability for
2 the taxable year for which the income tax return is being filed.

3 (b) The director of taxation shall prepare any forms that
4 may be necessary to claim a tax credit under this section. The
5 director may also require the taxpayer to furnish reasonable
6 information to ascertain the validity of the claim for the
7 credit made under this section and may adopt rules, pursuant to
8 chapter 91, necessary to implement this section.

9 (c) Each qualified taxpayer may claim no more than one tax
10 credit under this section. The tax credit claimed by a taxpayer
11 pursuant to this section shall be deductible from the taxpayer's
12 individual income tax liability, if any, for the tax year in
13 which the tax credit is properly claimed. If the tax credit
14 claimed by a taxpayer exceeds the amount of income tax payment
15 due from the taxpayer, the excess of the credit over liability
16 may be used as a credit against the taxpayer's income tax
17 liability in subsequent years until exhausted.

18 (d) All claims for a tax credit under this section,
19 including any amended claims, shall be filed on or before the
20 end of the twelfth month following the close of the taxable year
21 for which the credit may be claimed. Failure to comply with the



1 foregoing provision shall constitute a waiver of the right to
2 claim the credit.

3 (e) As used in this section, "qualified taxpayer" means a
4 taxpayer who has installed and placed in service during the
5 taxable year a water catchment system with a minimum capacity of
6 one thousand gallons on a residential property located in the
7 State that is owned by the taxpayer."

8 SECTION 3. New statutory material is underscored.

9 SECTION 4. This Act shall take effect on July 1, 2022, and
10 shall apply to taxable years beginning after December 31, 2022.



Report Title:

Water Catchment Income Tax Credit; Water Conservation

Description:

Creates a nonrefundable water catchment income tax credit for homeowners who install a water catchment system meeting certain requirements on residential property in the State owned by the homeowners. (SD1)

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