
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 promote 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
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 refundable income
9 tax credit for Hawaii homeowners who install and place into
10 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) Any qualified
16 taxpayer who files an individual income tax return for a taxable
17 year may claim a refundable income tax credit of \$100 under this



1 section against the taxpayer's net income tax liability for the
2 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 necessary to
8 effectuate the purposes of this section pursuant to chapter 91.

9 (c) The tax credits claimed by a taxpayer pursuant to this
10 section shall be deductible from the taxpayer's individual
11 income tax liability, if any, for the tax year in which the tax
12 credit is properly claimed. If the tax credits claimed by a
13 taxpayer exceed the amount of income tax payment due from the
14 taxpayer, the excess of credits over payments due shall be
15 refunded to the taxpayer; provided that tax credits properly
16 claimed by an individual who has no income tax liability shall
17 be paid to the individual; provided further that no refunds or
18 payment on account of the tax credits allowed by this section
19 shall be made for amounts less than \$1.

20 (d) All claims for tax credits under this section,
21 including any amended claims, shall be filed on or before the



1 end of the twelfth month following the close of the taxable year
2 for which the credits may be claimed. Failure to comply with
3 the foregoing provision shall constitute a waiver of the right
4 to claim the credit.

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

10 SECTION 3. New statutory material is underscored.

11 SECTION 4. This Act, upon its approval, shall apply to
12 taxable years beginning after July 1, 2050.



Report Title:

Water Catchment Tax Credit; Water Conservation

Description:

Creates a refundable water catchment tax credit for homeowners who install a water catchment system meeting certain requirements on residential property in the State owned by the homeowners. Defines "qualified taxpayer" as a taxpayer who has installed a water catchment system and placed the system in service during the taxable year. Takes effect 7/1/2050. (SD1)

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