

Honolulu, Hawaii

FEB 16 , 2022

RE: H.B. No. 1631
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Water & Land, to which was referred H.B. No. 1631 entitled:

"A BILL FOR AN ACT RELATING TO WATER CONSERVATION,"

begs leave to report as follows:

The purpose of this measure is to provide a refundable income tax credit for Hawaii homeowners who install and place into service a water catchment system that meets certain requirements.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, University of Hawai'i Sea Grant College Program, and one individual. Your Committee received comments on this measure from the Department of Taxation, Department of Budget and Finance, and Tax Foundation of Hawaii.

Your Committee finds that water catchment systems can be cost-effective, reliable, and safe fresh water sources that reduce consumer demand on existing fresh water.

Your Committee has amended this measure by:

- (1) Making the tax credit nonrefundable and establishing a limit of one tax credit per qualified taxpayer;



- (2) Amending the definition of "qualified taxpayer" so that the taxpayer must have installed and placed in service the water catchment system during the taxable year in order to qualify for the tax credit;
- (3) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1631, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1631, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Water & Land,



DAVID A. TARNAS, Chair



