

JAN 19 2024

A BILL FOR AN ACT

RELATING TO WATER CATCHMENT.

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

1 SECTION 1. The legislature finds that water is essential
2 to life and flourishing local communities. Yet some
3 communities, such as portions of the Ka'ū region of Hawai'i
4 Island, lack access to municipal water infrastructure, leaving
5 residents to rely on water catchment systems that are filled
6 through water subscription services to meet their basic needs.
7 Notably, areas that lack water resources are often highly
8 impoverished, creating conditions in which a lack of water
9 access worsens preexisting economic precarity.

10 The legislature additionally finds that water catchment
11 systems can be cost-effective, reliable, and safe fresh water
12 sources that reduce consumer demand on existing fresh water.
13 Water catchment systems can promote water conservation; mitigate
14 flooding; and conserve energy needed to pump, treat, and
15 transport fresh water for consumer use.



1 The purpose of this Act is to provide a refundable income
2 tax credit for homeowners who install, place into service, or
3 maintain a water catchment system on residential properties.

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

7 "§235- Water catchment tax credit. (a) Each qualified
8 taxpayer who files an individual income tax return for a taxable
9 year may claim a refundable income tax credit of \$250 against
10 the taxpayer's net income tax liability for the taxable year for
11 which the income tax return is being filed.

12 (b) The director of taxation shall prepare any forms that
13 may be necessary to claim a tax credit under this section. The
14 director may also require the taxpayer to furnish reasonable
15 information to ascertain the validity of the claim for the
16 credit and adopt rules, pursuant to chapter 91, necessary to
17 implement this section.

18 (c) Each qualified taxpayer may claim no more than one tax
19 credit under this section. The tax credit claimed by a taxpayer
20 pursuant to this section shall be deductible from the taxpayer's
21 net income tax liability, if any, for the tax year in which the



1 tax credit is properly claimed. If the tax credit claimed by a
2 taxpayer exceeds the amount of income tax payments due from the
3 taxpayer, the excess of credits over payments due shall be
4 refunded to the taxpayer; provided that tax credits properly
5 claimed by an individual who has no income tax liability shall
6 be paid to the individual; provided further that no refunds or
7 payment on account of the tax credits allowed by this section
8 shall be made for amounts less than \$1.

9 (d) All claims for a tax credit under this section,
10 including any amended claims, shall be filed on or before the
11 end of the twelfth month following the close of the taxable year
12 for which the credit may be claimed. Failure to comply with the
13 foregoing provision shall constitute a waiver of the right to
14 claim the credit.

15 (e) As used in this section, "qualified taxpayer" means a
16 taxpayer who has installed, placed in service, or maintained
17 during the taxable year a water catchment system with a minimum
18 capacity of one thousand gallons on a residential property
19 located in the State that is owned by the taxpayer."

20 SECTION 3. New statutory material is underscored.



S.B. NO. 2197

1 SECTION 4. This Act, upon its approval, shall apply to
2 taxable years beginning after December 31, 2024.

3

INTRODUCED BY: *Ant M. Rendon* *lp*



S.B. NO. 2797

Report Title:

Water Conservation; Water Catchment; Income Tax Credit

Description:

Creates a refundable water catchment income tax credit for a homeowner who installs, places in service, or maintains a water catchment system meeting certain requirements on residential property in the State owned by the homeowner.

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

