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# 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 flourishes local communities. Yet some communities,  
3 such as portions of the Kau region of Hawaii island, lack access  
4 to municipal water infrastructure, leaving residents to rely on  
5 water catchment systems that are filled through water  
6 subscription services to meet their basic needs. Notably, areas  
7 that lack water resources are often highly impoverished,  
8 creating conditions in which a lack of water access worsens  
9 preexisting economic precarity.

10          The legislature additionally finds that water catchment  
11 systems can be a cost-effective, reliable, and safe fresh water  
12 source that reduce consumer demand for 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 not more than one  
19 tax credit under this section. The tax credit claimed by a  
20 taxpayer pursuant to this section shall be deductible from the  
21 taxpayer's net income tax liability, if any, for the tax year in



1 which the tax credit is properly claimed. If the tax credit  
2 claimed by a taxpayer exceeds the amount of income tax payments  
3 due from the taxpayer, the excess of credits over payments due  
4 shall be refunded to the taxpayer; provided that tax credits  
5 properly claimed by an individual who has no income tax  
6 liability shall be paid to the individual; provided further that  
7 no refunds or payment on account of the tax credits allowed by  
8 this section 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) There shall be a limit of one tax credit per each  
16 water catchment system installed within a five-year period.

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



1 SECTION 3. New statutory material is underscored.

2 SECTION 4. This Act shall take effect on December 31,  
3 2050, and apply to taxable years beginning after December 31,  
4 2024.



**Report Title:**

Water Conservation; Water Catchment System; 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 taxpayer. Applies to taxable years after 12/31/2024. Takes effect 12/31/2050. (SD1)

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

