THE SENATE THIRTY-THIRD LEGISLATURE, 2025 STATE OF HAWAII S.B. NO. 138

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1	SECTION 1. Chapter 235, Hawaii Revised Statutes, is
2	amended by adding a new section to be appropriately designated
3	and to read as follows:
4	" <u>§235-</u> Safe room installation; income tax credit. (a)
5	There shall be allowed to each taxpayer subject to the tax
6	imposed under this chapter, a nonrefundable safe room
7	installation income tax credit that shall be deductible from the
8	taxpayer's net income tax liability, if any, imposed by this
9	chapter for the taxable year in which the credit is properly
10	claimed.
11	(b) In the case of a partnership, S corporation, estate,
12	or trust, the tax credit allowable shall be for qualified
13	expenses incurred by the entity for the taxable year. The
14	expenses upon which the tax credit is computed shall be
15	determined at the entity level. Distribution and share of
16	credit shall be determined by rule.

2025-0067 SB SMA-1.docx

S.B. NO. 138

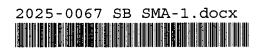
1	(c)	The safe room installation income tax credit shall be
2	equal to	per cent of the taxpayer's qualified expenses, up
3	to a maxi	mum of \$
4	(d)	The total amount of tax credits allowed under this
5	section s	hall not exceed \$ for all taxpayers in any
6	taxable y	ear; provided that any taxpayer who is ineligible to
7	claim the	credit in a taxable year due to the \$ cap
8	having be	en exceeded for that taxable year shall be eligible to
9	claim the	credit in the subsequent taxable year.
10	<u>(e)</u>	The director of taxation:
11	(1)	Shall prepare any forms that may be necessary to claim
12		a tax credit under this section;
13	(2)	Shall require the taxpayer to furnish reasonable
14		information to verify the claim for the tax credit
15		made under this section, including but not limited to
16		requiring the taxpayer to provide a certification from
17		an architect or structural engineer licensed to
18		practice in the State certifying that the completed
19		safe room or safe rooms satisfy the minimum
20		specifications established by this section; and

2025-0067 SB SMA-1.docx

Page 2

S.B. NO. (38

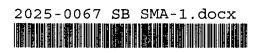
1	(3) May adopt rules under chapter 91 necessary to
2	effectuate the purposes of this section.
3	(f) The credit allowed under this section shall be claimed
4	against the net income tax liability for the taxable year. If
5	the tax credit under this section exceeds the taxpayer's income
6	tax liability, the excess of the tax credit over liability may
7	be used as a credit against the taxpayer's net income tax
8	liability in subsequent years until exhausted. All claims,
9	including amended claims, for a tax credit under this section
10	shall be filed on or before the end of the twelfth month
11	following the close of the taxable year for which the credit may
12	be claimed. Failure to comply with the foregoing provision
13	shall constitute a waiver of the right to claim the credit.
14	(g) For the purposes of this section:
15	"Qualified expenses" means costs that are necessary and
16	directly incurred by the taxpayer for the design, materials,
17	installation, and construction of one or more safe rooms located
18	on the taxpayer's property.
19	"Safe room" means a windowless room within a residence or
20	within an accessory building to a residence, designed and



3

S.B. NO. 138

1	constructed to resist the effects of wind pressures and to					
2	resist im	pact	from windborne debris; provided that the room:			
3	(1)	Is not located in a flood zone, storm surge, or other				
4		area	susceptible to flooding;			
5	(2)	<u>Is r</u>	eadily accessible to persons residing within the			
6		resi	dence; and			
7	(3)	Is d	esigned and constructed pursuant to hurricane			
8		<u>stan</u>	dards that are, at a minimum, in compliance with:			
9		(A)	Federal Emergency Management Agency Publication			
10			320 "Taking Shelter from the Storm: Building or			
11			Installing a Safe Room for Your Home", March 2021			
12			edition, as amended; and			
13		<u>(B)</u>	Federal Emergency Management Agency Publication			
14			361 "Safe Rooms for Tornadoes and Hurricanes:			
15			Guidance for Community and Residential Safe			
16			Rooms", April 2021 edition, as amended."			
17	SECT	ION 2	. New statutory material is underscored.			
18	SECT	ION 3	. This Act, upon its approval, shall apply to			
19	taxable y	ears	beginning after December 31, 2024.			
20			M			
			INTRODUCED BY:			



Page 4

S.B. NO. 138

Report Title:

Income Tax Credit; Safe Room Installation Income Tax Credit; Hurricane-Resistant Safe Rooms; Director of Taxation

Description:

Establishes a nonrefundable income tax credit for taxpayers that incur costs related to the design, materials, installation, and construction of hurricane-resistant safe rooms.

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

