
A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

1 SECTION 1. Section 235-12.5, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending subsections (a) and (b) to read:

4 "(a) When the requirements of subsection (d) are met, each
5 individual or corporate taxpayer that files an individual or
6 corporate net income tax return for a taxable year may claim a
7 tax credit under this section against the Hawaii state
8 individual or corporate net income tax. The tax credit may be
9 claimed for every property upon which an eligible renewable
10 energy technology system [~~that~~] is installed and placed in
11 service in the State by a taxpayer during the taxable year. The
12 tax credit may be claimed as follows:

13 (1) For [~~each~~] a solar energy system: thirty-five per
14 cent of the actual cost or the cap amount determined
15 in subsection (b), whichever is less; or

16 (2) For [~~each~~] a wind-powered energy system: twenty per
17 cent of the actual cost or the cap amount determined
18 in subsection (b), whichever is less;



1 provided that multiple owners of a single system shall be
2 entitled to a single tax credit; and provided further that the
3 tax credit shall be apportioned between the owners in proportion
4 to their contribution to the cost of the system.

5 In the case of a partnership, S corporation, estate, or
6 trust, the tax credit allowable is for every eligible renewable
7 energy technology system that is installed and placed in service
8 in the State by the entity. The cost upon which the tax credit
9 is computed shall be determined at the entity level.

10 Distribution and share of credit shall be determined pursuant to
11 section 235-110.7(a).

12 (b) The amount of credit allowed for each property upon
13 which an eligible renewable energy technology system is
14 installed and placed in service shall not exceed the applicable
15 cap amount, which is determined as follows:

16 (1) If the primary purpose of the solar energy system is
17 to use energy from the sun to heat water for household
18 use, then the cap amounts shall be:

19 (A) [~~\$2,250~~] \$2,500 per [~~system for~~] single-family
20 residential [~~property,~~] tax map key number;



- 1 (B) [~~\$350~~] \$1,000 per unit per [~~system for~~] multi-
2 family residential [~~property,~~] tax map key
3 number; and
- 4 (C) \$250,000 per [~~system for commercial property,~~]
5 nonresidential tax map key number;
- 6 (2) For all other solar energy systems, the cap amounts
7 shall be:
- 8 (A) [~~\$5,000~~] \$7,000 per [~~system for~~] single-family
9 residential [~~property,~~] tax map key number;
10 provided that if all or a portion of the system
11 is used to fulfill the substitute renewable
12 energy technology requirement pursuant to section
13 196-6.5(a)(3), the credit shall be reduced by
14 thirty-five per cent of the actual system cost or
15 \$2,250, whichever is less;
- 16 (B) [~~\$350~~] \$1,000 per unit per [~~system for~~] multi-
17 family residential [~~property,~~] tax map key
18 number; and
- 19 (C) [~~\$500,000 per system for commercial property,~~]
20 For a single nonresidential tax map key number,
21 \$1,500 per kilowatt placed in service for the
22 first three hundred kilowatts of capacity and



1 \$1,000 per kilowatt for the next four thousand
 2 seven hundred kilowatts placed into service;
 3 provided that the credit shall not apply to
 4 kilowatts produced in excess of five thousand
 5 kilowatts of capacity that are placed into
 6 service; and

7 (3) For all wind-powered energy systems, the cap amounts
 8 shall be:

9 (A) \$1,500 per [~~system for~~] single-family residential
 10 [~~property,~~] tax map key number; provided that if
 11 all or a portion of the system is used to fulfill
 12 the substitute renewable energy technology
 13 requirement pursuant to section 196-6.5(a)(3),
 14 the credit shall be reduced by twenty per cent of
 15 the actual system cost or \$1,500, whichever is
 16 less;

17 (B) \$200 per unit per [~~system for~~] multi-family
 18 residential [~~property,~~] tax map key number; and

19 (C) \$500,000 per [~~system for commercial~~]
 20 nonresidential property."

21 2. By amending subsection (h) to read:



1 "(h) Notwithstanding subsection (g), for any property upon
2 which a renewable energy technology system[-] is installed and
3 placed in service, an individual taxpayer may elect to have any
4 excess of the credit over payments due refunded to the taxpayer,
5 if:

6 (1) All of the taxpayer's income is exempt from taxation
7 under section 235-7(a)(2) or (3); or

8 (2) The taxpayer's adjusted gross income is \$20,000 or
9 less [+], or \$40,000 or less if filing a tax return as
10 married filing jointly[+];

11 provided that tax credits properly claimed by a taxpayer who has
12 no income tax liability shall be paid to the taxpayer; and
13 provided further that no refund on account of the tax credit
14 allowed by this section shall be made for amounts less than \$1.

15 A husband and wife who do not file a joint tax return shall
16 only be entitled to make this election to the extent that they
17 would have been entitled to make the election had they filed a
18 joint tax return.

19 The election required by this subsection shall be made in a
20 manner prescribed by the director on the taxpayer's return for
21 the taxable year in which the system is installed and placed in
22 service. A separate election may be made for each separate



1 system that generates a credit. An election once made is
2 irrevocable."

3 3. By amending subsections (j) and (k) to read:

4 "(j) To the extent feasible, using existing resources to
5 assist the energy-efficiency policy review and evaluation, the
6 department shall assist with data collection on the following
7 for each taxable year:

8 (1) The number of [~~renewable energy technology systems~~]
9 properties that have qualified for a tax credit during
10 the calendar year by:

11 (A) Technology type; and

12 (B) Taxpayer type (corporate and individual); and

13 (2) The total cost of the tax credit to the State during
14 the taxable year by:

15 (A) Technology type; and

16 (B) Taxpayer type.

17 (k) This section shall apply to properties upon which an
18 eligible renewable energy technology [~~systems that are~~] system
19 is installed and placed in service on or after July 1, 2009."

20 SECTION 2. Independent power producers not currently
21 regulated by the public utilities commission that have submitted
22 an agreement with an electric utility company for approval by



1 the public utilities commission by January 1, 2013, shall be
2 allowed tax credits as authorized in the 2012 calendar year for
3 renewable energy technologies placed into service after January
4 1, 2013, as part of the agreement.

5 SECTION 3. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 4. This Act shall take effect on July 1, 2030, and
8 shall apply to taxable years beginning after December 31, 2012.



Report Title:

Renewable Energy Technology; Tax Credit

Description:

Applies the Renewable Energy Technology Tax Credit on a per-property, as opposed to a per-system, basis. Increases the maximum available credit for star energy systems installed on various types of properties. Effective July 1, 2030. Applies to tax years beginning after December 31, 2012. (HB2417 HD2)

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