
A BILL FOR AN ACT

RELATING TO AUTOMATIC FIRE SUPPRESSION SYSTEMS.

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

1 SECTION 1. The legislature finds that automatic fire
2 suppression systems in residential dwellings are rare in the
3 State. One reason for the lack of fire sprinklers in
4 residential dwellings is the cost of installing automatic fire
5 suppression systems. The legislature also finds that an
6 incentive is needed to promote the installation of automatic
7 fire suppression systems in residential dwellings in the State.

8 Therefore, the purpose of this Act is to provide an
9 incentive to install an automatic fire suppression system in any
10 detached unit that is a structure used only for residential
11 purposes. The incentive shall be in the form of an income tax
12 credit equal to twenty-five per cent of the actual costs of the
13 system, including installation costs.

14 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
15 amended by adding a new section to part I to be appropriately
16 designated and to read as follows:



1 "§235- Installation of automatic fire suppression
2 systems in residences; income tax credit. (a) Any qualifying
3 taxpayer who files an individual income tax return for a taxable
4 year may claim an income tax credit under this section, which
5 shall be deductible from the individual's net income tax
6 liability, if any, imposed by this chapter for the taxable year
7 in which the credit is properly claimed.

8 (b) The tax credit may be claimed for every eligible
9 automatic fire suppression system that is installed and placed
10 in service by the taxpayer during the taxable year in any new
11 detached unit that is in a structure used only for residential
12 purposes. The amount of the tax credit that may be claimed
13 shall be twenty-five per cent of the actual costs of the
14 automatic fire suppression system, including installation costs;
15 provided that multiple owners of a single automatic fire
16 suppression system shall be entitled to a single tax credit that
17 shall be apportioned between the owners in proportion to their
18 contribution to the costs of the automatic fire suppression
19 system.

20 (c) If the tax credit claimed by the taxpayer under this
21 section exceeds the amount of the taxpayer's net income tax



1 liability for the taxable year, the excess of the tax credit
2 over liability may be used as a credit against the taxpayer's
3 income tax liability in subsequent years until exhausted;
4 provided that the tax credit properly claimed by a taxpayer who
5 has no income tax liability shall be paid to the taxpayer;
6 provided further that no refunds or payments on account of the
7 tax credit allowed by this section shall be made for amounts
8 less than \$1.

9 (d) The director of taxation:

10 (1) Shall prepare forms as may be necessary to claim a
11 credit pursuant to this section;

12 (2) May require proof of the claim for the tax credit
13 established in this section; and

14 (3) May adopt rules pursuant to chapter 91 to effectuate
15 the purposes of this section.

16 (e) All of the provisions relating to assessments and
17 refunds in this chapter and in section 231-23(c)(1) shall apply
18 to the tax credit established in this section.

19 (f) Claims for the tax credit under this section,
20 including any amended claims, shall be filed on or before the



1 end of the twelfth month following the taxable year for which
2 the credit may be claimed."

3 SECTION 3. New statutory material is underscored.

4 SECTION 4. This Act, upon its approval, shall apply to
5 taxable years beginning after December 31, 2050; provided that
6 this Act shall be repealed on June 30, 2025.

7



Report Title:

Hawaii State Association of Counties Package; Automatic Fire
Suppression Systems; Tax Credit

Description:

Establishes a non-refundable income tax credit of twenty-five per cent of the total costs, including installation costs, of an automatic fire suppression system in any new detached dwelling unit in a structure used only for residential purposes. Applies to taxable years beginning after December 31, 2050. Repeals on 6/30/25. (SD1)

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

