
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The legislature finds that the costs of a
2 weather-related natural disaster may be substantial. Hurricane
3 Harvey caused an estimated \$125 billion in damage in 2017.
4 Hurricane Maria caused an estimated \$90 billion in damage in
5 2017. Both of these storms are second and third, respectively,
6 in total damage caused only to Hurricane Katrina, which caused
7 an estimated \$160 billion in damage in 2005.

8 The legislature further finds that individual mitigation
9 measures:

10 (1) Reduce the potential danger persons face; and

11 (2) Save money for the people of Hawaii and the State.

12 The Hawaii emergency management agency has stated that the State
13 faces a shortage of shelter space in the event of a weather-
14 related natural disaster. The effects of this shortage may be
15 partially offset by the strengthening of residences. Also, the
16 National Institute of Building Sciences' *Natural Hazard*



1 *Mitigation Saves: 2017 Interim Report* finds that for every \$1
2 spent on hurricane mitigation measures, \$5 is saved.

3 Thus, the purpose of this Act is to incentivize homeowners
4 to implement measures that mitigate the damage that may be
5 caused by hurricanes by providing a tax credit for the purchase
6 and installation of wind resistive devices.

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

10 "§235- Wind resistive device tax credit. (a) There
11 shall be allowed to each taxpayer subject to the taxes imposed
12 by this chapter, a wind resistive device tax credit which shall
13 be deductible from the taxpayer's net income tax liability
14 imposed by this chapter for the taxable year in which the credit
15 is properly claimed.

16 (b) The amount of the credit shall be thirty-five per cent
17 of the costs incurred during the taxable year for purchasing and
18 installing wind resistive devices in a non-condominium
19 residential dwelling owned by the taxpayer and located in the
20 State.



1 (c) Every taxpayer claiming a credit under this section
2 shall file all necessary documentation as required by the
3 insurance commissioner and a written verification by an
4 inspector, who is qualified as determined by the insurance
5 commissioner, stating that the installation of the wind
6 resistive device is complete and is in compliance with the
7 specifications, guidelines, and requirements, as determined
8 pursuant to subsection (d) (1).

9 (d) The insurance commissioner shall:

10 (1) Develop and determine, without regard to chapter 91,
11 the description, specifications, guidelines, and
12 requirements for the following:

13 (A) Uplift restraint ties at roof ridges and roof
14 framing members to wall or beam supports;

15 (B) Additional fastening of roof sheathing and roof
16 decking for high wind uplift;

17 (C) Impact and pressure resistant exterior opening
18 protective devices; and



- 1 (D) Wall to foundation uplift restraint connections
- 2 strengthening for wood foundation posts on
- 3 footings;
- 4 provided that the insurance commissioner, in the
- 5 insurance commissioner's sole discretion, may amend,
- 6 narrow, or expand the definitions, descriptions,
- 7 specifications, and requirements of the wind resistive
- 8 devices;
- 9 (2) Certify the purchase and installation of wind
- 10 resistive devices; and
- 11 (3) Certify the amount of the tax credit for each
- 12 taxpayer.

13 Upon each determination, the insurance commissioner shall issue

14 a certificate to the taxpayer verifying the purchase and

15 installation of wind resistive devices and the credit amount

16 certified for the taxpayer. The taxpayer shall file the

17 certificate with the taxpayer's tax return with the department.

18 (e) If the tax credit under this section exceeds the

19 taxpayer's income tax liability, the excess of credit over

20 liability may be used as a credit against the taxpayer's income

21 tax liability in subsequent years until exhausted. All claims,



1 including amended claims, for a tax credit under this section
2 shall be filed on or before the end of the twelfth month
3 following the close of the taxable year for which the credit may
4 be claimed. Failure to comply with the foregoing provision
5 shall constitute a waiver of the right to claim the credit.

6 (f) The director of taxation:

7 (1) Shall prepare any forms that may be necessary to claim
8 a tax credit under this section;

9 (2) May require the taxpayer to furnish information to
10 ascertain the validity of the claim for the tax credit
11 made under this section; and

12 (3) May adopt rules pursuant to chapter 91 necessary to
13 effectuate the purposes of this section.

14 (g) For the purposes of this section:

15 "Wind resistive devices" means devices and techniques, as
16 identified and determined in accordance with subsection (d)(1),
17 that increase a building's or structure's resistance to damage
18 from wind forces."

19 SECTION 3. New statutory material is underscored.



H.B. NO. 799

1 SECTION 4. This Act shall take effect on July 1, 2019;
 2 provided that section 2 shall apply to taxable years beginning
 3 after December 31, 2019.

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INTRODUCED BY:

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JAN 22 2019



H.B. NO. 799

Report Title:

Wind Resistive Device Tax Credit; Hurricane Preparation

Description:

Establishes a wind resistive device tax credit for the purchase and installation of wind resistive devices in a non-condominium residential dwelling. Requires the Insurance Commissioner to develop and determine the requirements for the wind resistive devices and to certify claims for the tax credit. Applies to taxable years after December 31, 2019.

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

