
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 eligible renewable energy technology system
10 that is installed and placed in service in the State by a
11 taxpayer during the taxable year. The tax credit may be claimed
12 as follows:

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

16 (A) For taxable years beginning after December 31,
17 2019, and except as provided in subparagraph (B),



1 no tax credit may be claimed for solar energy
2 systems installed and placed in service for
3 commercial properties; and

4 (B) Notwithstanding any law to the contrary and any
5 subsequent amendments to this paragraph, for
6 solar energy systems installed and placed in
7 service for commercial property, pursuant to a
8 power purchase agreement approved or pending
9 approval by a decision and order by the public
10 utilities commission prior to December 31, 2019,
11 the taxpayer shall continue to receive a tax
12 credit equal to thirty-five per cent of the
13 actual cost, up to the applicable cap amount of
14 \$500,000 per system; or

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

18 (A) For taxable years beginning after December 31,
19 2019, and except as provided in subparagraph (B),
20 no tax credit may be claimed for wind-powered



1 energy systems installed and placed in service
2 for commercial properties; and
3 (B) Notwithstanding any law to the contrary and any
4 subsequent amendments to this paragraph, for
5 wind-powered energy systems installed and placed
6 in service for commercial property, pursuant to a
7 power purchase agreement approved by a decision
8 and order by the public utilities commission
9 prior to December 31, 2019, the taxpayer shall
10 continue to receive a tax credit equal to twenty
11 per cent of the actual cost, up to the applicable
12 cap amount of \$500,000 per system;
13 provided further that multiple owners of a single system shall
14 be entitled to a single tax credit; and provided further that
15 the tax credit shall be apportioned between the owners in
16 proportion to their contribution to the cost of the system.
17 In the case of a partnership, S corporation, estate, or
18 trust, the tax credit allowable is for every eligible renewable
19 energy technology system that is installed and placed in service
20 in the State by the entity. The cost upon which the tax credit
21 is computed shall be determined at the entity level.



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

3 (b) The amount of credit allowed for each eligible
4 renewable energy technology system shall not exceed the
5 applicable cap amount, which is determined as follows:

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

9 (A) \$2,250 per system for single-family residential
10 property; and

11 (B) [~~\$350~~] \$750 per unit per system for multi-family
12 residential property; [~~and~~

13 ~~(C) \$250,000 per system for commercial property;~~]

14 (2) For all other solar energy systems, the cap amounts
15 shall be:

16 (A) \$5,000 per system for single-family residential
17 property; provided that if all or a portion of
18 the system is used to fulfill the substitute
19 renewable energy technology requirement pursuant
20 to section 196-6.5(a)(3), the credit shall be



1 reduced by thirty-five per cent of the actual
2 system cost or \$2,250, whichever is less; and

3 (B) [~~\$350~~] \$750 per unit per system for multi-family
4 residential property; and

5 [~~(C) \$500,000 per system for commercial property; and~~]

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

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

15 (B) [~~\$200~~] \$750 per unit per system for multi-family
16 residential property [~~;~~ and

17 ~~(C) \$500,000 per system for commercial property]."~~

18 2. By amending subsection (k) to read:

19 "(k) This section shall apply to eligible renewable energy
20 technology systems that are installed and placed in service on
21 or after July 1, 2009.



1 No tax credits, including credits subject to subsection
2 (a) (1) (B) and (2) (B), may be claimed under this section after
3 December 31, 2045."

4 SECTION 2. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 3. This Act shall take effect on July 1, 2050, and
7 shall apply to taxable years beginning after December 31, 2019.



Report Title:

Renewable Energy; Solar and Wind Energy System; Tax Credit

Description:

Repeals the renewable energy technologies income tax credit for solar energy systems and wind-powered energy systems for commercial properties for taxable years beginning after 12/31/2019, except for taxpayers subject to a power purchase agreement approved or pending approval by a decision and order issued by the PUC prior to 12/31/2019. Increases the renewable energy technologies income tax credit cap amount for multi-family residential properties. Makes the renewable energy technologies income tax credit unavailable after 12/31/2045. Effective 7/1/2050. (HD2)

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

