

JAN 24 2019

A BILL FOR AN ACT

RELATING TO FIRE PROTECTION.

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 part I to be appropriately
3 designated and to read as follows:

4 "§235- Automatic fire sprinkler system; income tax
5 credit. (a) For taxable years beginning after December 31,
6 2019, there shall be allowed to each individual taxpayer subject
7 to the tax imposed under this chapter, an automatic fire
8 sprinkler system tax credit that shall be deductible from the
9 taxpayer's net income tax liability, if any, imposed by this
10 chapter for the taxable year in which the credit is properly
11 claimed.

12 (b) The tax credit may be claimed for an eligible
13 automatic fire sprinkler system that is installed and placed in
14 service by the taxpayer during the taxable year in a dwelling
15 unit that is used only for residential purposes. The tax credit
16 that may be claimed for each automatic sprinkler system shall be



1 no more than _____ per cent of the actual cost of the system,
2 including installation, water, and permit fees; provided that:

3 (1) Only the owner-occupant of the dwelling or the
4 purchaser installing the automatic fire sprinkler
5 system used only for residential purposes shall be
6 entitled to the tax credit;

7 (2) Only one credit may be claimed per tax map key number;
8 and

9 (3) The amount of the credit taken shall not exceed
10 \$_____.

11 (c) The basis of eligible property for depreciation or
12 accelerated cost recovery system purposes for state income taxes
13 shall be reduced by the amount of credit allowable and claimed.
14 No deduction shall be allowed for that portion of otherwise
15 deductible qualified costs for which a credit is claimed under
16 this section.

17 (d) If the tax credit claimed by the taxpayer under this
18 section exceeds the amount of the income tax payments due from
19 the taxpayer, the excess of credit over payments due shall be
20 used as a credit against the taxpayer's income tax liability in
21 subsequent years until exhausted.



1 (e) The director of taxation shall prepare forms that may
 2 be necessary to claim a credit under this section, may require
 3 proof of the claim for the tax credit, and may adopt rules
 4 pursuant to chapter 91 necessary to carry out this section.

5 (f) All of the provisions relating to assessments and
 6 refunds under this chapter and section 231-23(c)(1) shall apply
 7 to the tax credit under this section.

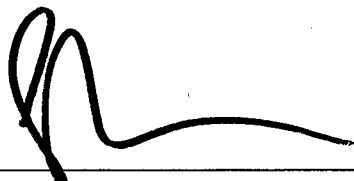
8 (g) Claims for the tax credit under this section,
 9 including any amended claims, shall be filed on or before the
 10 end of the twelfth month following the taxable year for which
 11 the credit may be claimed.

12 (h) If the State or county requires an automatic fire
 13 sprinkler system to be installed by an individual taxpayer, that
 14 taxpayer shall not be eligible to claim a tax credit under this
 15 section."

16 SECTION 2. New statutory material is underscored.

17 SECTION 3. This Act shall take effect upon its approval
 18 and shall apply to taxable years beginning after December 31,
 19 2019.

20

INTRODUCED BY:  _____



S.B. NO. 1285

Report Title:

Fire Sprinklers; Income Tax Credit

Description:

Establishes a tax credit of an unspecified percentage of the actual cost, including installation, water meter, and permitting fees, not to exceed an unspecified amount, for an automatic fire sprinkler system installed in any dwelling unit used only for residential purposes.

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

