A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY TAX CREDITS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAI'I:

SECTION 1. Section 235-12.5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

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

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

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

(B) $350 per unit per system for multi-family residential property; and

(C) $250,000 per system for commercial property;

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

(A) $5,000 per system for single-family residential property; provided that if all or a portion of
the system is used to fulfill the substitute renewable energy technology requirement pursuant to section 196-6.5(a)(3), the credit shall be reduced by thirty-five per cent of the actual system cost or $2,250, whichever is less;

(B) $350 per unit per system for multi-family residential property[7] until December 31, 2024, then $0 per unit per system for taxable years thereafter; and

(C) $500,000 per system for commercial property[7] until December 31, 2024, then $0 per system for taxable years thereafter; and

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

(A) $1,500 per system for single-family residential property; provided that if all or a portion of the system is used to fulfill the substitute renewable energy technology requirement pursuant to section 196-6.5(a)(3), the credit shall be reduced by twenty per cent of the actual system cost or $1,500, whichever is less;
(B) $200 per unit per system for multi-family residential property; and

(C) $500,000 per system for commercial property."

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 Statutory material to be repealed is bracketed and stricken.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

SECTION 3. This Act, upon its approval, shall apply to taxable years beginning after December 31, 2019.
Report Title:
Renewable Energy Technologies; Solar; Photovoltaic; Energy Systems; Tax Credit

Description:
Beginning January 1, 2025, eliminates the renewable energy technologies income tax credit for solar energy systems for which the primary purpose is not to heat water for multi-family resident and commercial properties.

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