A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY TAX CREDITS.

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

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; provided that, after December 31, 2024, no credit shall be allowed;

(B) [$350] $750 per unit per system for multi-family residential property; provided that, after December 31, 2024, no credit shall be allowed; and

(C) $500,000 per system for commercial property; provided that, after December 31, 2024, no credit shall be allowed; provided further that, notwithstanding the foregoing provision, any other law to the contrary, and any amendment made to this section, for solar energy systems installed and placed in service pursuant to a power purchase agreement approved by the public utilities commission prior to December 31, 2019, the cap amount per system shall be thirty-five
per cent of the actual cost or $500,000 per
megawatt direct current, whichever is less; 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 Statutory material to be repealed is bracketed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 shall take effect on July 1, 2050, and
shall apply to taxable years beginning after December 31, 2019.
Report Title:  
Renewable Energy Technologies; Solar; Photovoltaic; Energy Systems; Tax Credit

Description:  
Increases the cap amount of the renewable energy technologies income tax credit for solar water heating systems installed and placed in service for multi-family residential property. Beginning 1/1/2025, eliminates the renewable energy technologies income tax credit for solar energy systems for which the primary purpose is not to heat water. Preserves the tax credit for solar energy systems installed and placed in service pursuant to a power purchase agreement for commercial properties that was approved by the Public Utilities Commission prior to 12/31/2019. Effective 7/1/2050. (SD2)

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