
A BILL FOR AN ACT

RELATING TO WATER CATCHMENT.

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

1 SECTION 1. The legislature finds that water is essential
2 to life and flourishing local communities. Yet some
3 communities, such as portions of the Ka'ū region of Hawai'i
4 island, lack access to municipal water infrastructure, leaving
5 residents to rely on water catchment systems that are filled
6 through water subscription services to meet their basic needs.
7 Notably, areas that lack water resources are often highly
8 impoverished, creating conditions in which a lack of water
9 access worsens preexisting economic precarity.

10 The legislature additionally finds that water catchment
11 systems can be cost-effective, reliable, and safe fresh water
12 sources that reduce consumer demand on existing fresh water.
13 Water catchment systems can promote water conservation; mitigate
14 flooding; and conserve energy needed to pump, treat, and
15 transport fresh water for consumer use.



1 The purpose of this Act is to provide a nonrefundable
2 income tax credit for homeowners who install and place into
3 service a water catchment system on residential properties.

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

7 "§235- Water catchment tax credit. (a) Each qualified
8 taxpayer who files an individual income tax return for a taxable
9 year may claim a nonrefundable income tax credit equal to the
10 lesser of:

11 (1) The qualified costs of installing and placing into
12 service a water catchment system; or

13 (2) \$250,

14 (b) The total amount of tax credits allowed under this
15 section shall not exceed \$ for all qualified taxpayers
16 in any particular year.

17 (c) The director of taxation shall prepare any forms that
18 may be necessary to claim a tax credit under this section. The
19 director may also require the taxpayer to furnish reasonable
20 information to ascertain the validity of the claim for the



1 credit and adopt rules, pursuant to chapter 91, necessary to
2 implement this section.

3 (d) Each qualified taxpayer may claim only one tax credit
4 for each water catchment system installed and placed into
5 service. The tax credit claimed by a taxpayer pursuant to this
6 section shall be deductible from the taxpayer's net income tax
7 liability, if any, for the tax year in which the tax credit is
8 properly claimed. If the tax credit claimed by a taxpayer
9 exceeds the amount of income tax payments due from the taxpayer,
10 the excess of credits over liability may be used as a credit
11 against the taxpayer's income tax liability in subsequent years
12 until exhausted; provided that no refund on account of the tax
13 credit allowed by this section shall be made for amounts less
14 than \$1.

15 (e) All claims for a tax credit under this section,
16 including any amended claims, shall be filed on or before the
17 end of the twelfth month following the close of the taxable year
18 for which the credit may be claimed. Failure to comply with the
19 foregoing provision shall constitute a waiver of the right to
20 claim the credit.



1 (f) This section shall not apply to taxable years
2 beginning after December 31, 2029.

3 (g) As used in this section:

4 "Qualified taxpayer" means a taxpayer who has installed and
5 placed in service during the taxable year a water catchment
6 system.

7 "Water catchment system" means a system of catching
8 rainwater from a surface to a storage container with a minimum
9 capacity of one thousand gallons on a residential property
10 located in the State that is owned by the taxpayer."

11 SECTION 3. New statutory material is underscored.

12 SECTION 4. This Act shall take effect on July 1, 3000, and
13 shall apply to taxable years beginning after December 31, 2024.



Report Title:

Water Conservation; Water Catchment; Income Tax Credit

Description:

Creates a nonrefundable water catchment income tax credit for a homeowner who installs and places into service a water catchment system meeting certain requirements on residential property in the State owned by the homeowner. Effective 7/1/3000. (HD1)

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