
A BILL FOR AN ACT

RELATING TO AN INCOME TAX CREDIT.

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

1 SECTION 1. The legislature finds that Hawaii is
2 susceptible to property loss due to hurricanes, tropical storms,
3 and strong winds. The best long-term solution for reducing
4 potential damage is the statewide use of wind resistive devices.
5 The legislature also finds that residents of the State must
6 inspect, repair, and reinforce their residences every year to
7 prepare for the possibility of a hurricane making landfall. The
8 inspections, repairs, and reinforcement of residences consume
9 needed resources from homeowners' budgets but result in
10 homeowners having more hurricane resistant residences. These
11 resistance measures reduce hurricane damage repair costs and may
12 qualify homeowners for much-needed hurricane insurance premium
13 credits.

14 The legislature further finds that there should be an
15 income tax credit to certain property owners for the
16 installation of wind resistive devices approved by the insurance
17 commissioner that may lessen the severity of property loss from



1 strong winds. This incentive will serve a public purpose by
2 protecting the health, safety, property, and welfare of Hawaii
3 residents. The program will also stimulate economic growth and
4 activity in the State through the creation of business and
5 employment opportunities for the sale and installation of wind
6 resistive devices.

7 The purpose of this Act is to establish an income tax
8 credit to financially assist qualified homeowners with the
9 installation of approved wind resistive devices for hurricane
10 preparedness of their homes.

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

14 "§235- Wind resistance retrofit tax credit. (a) There
15 shall be allowed to each individual who is not eligible to be
16 claimed as a dependent for federal or state income taxes by
17 another and who files an individual income tax return for a
18 taxable year, a one-time nonrefundable wind resistance retrofit
19 tax credit that shall be deductible from the individual's net
20 income tax liability imposed by this chapter.



1 (b) The amount of the nonrefundable tax credit shall be
2 \$ _____ or the actual costs incurred by the individual for
3 the wind resistance retrofit project, whichever is less,
4 including the costs of construction to make a taxpayer's primary
5 residence meet specified wind resistance standards determined
6 pursuant to subsection (c); provided that no payment on account
7 of the tax credit allowed by this section shall be made for
8 amounts less than \$1.

9 (c) The standards for eligibility shall be determined by
10 the insurance commissioner or the commissioner's designee by
11 rule. The taxpayer shall apply to the insurance division of the
12 department of commerce and consumer affairs to pre-certify
13 eligible retrofit credit costs before retrofit work begins. The
14 insurance division shall cap the number of credits certified
15 to _____ for each year of eligibility. The department of
16 commerce and consumer affairs may adopt rules pursuant to
17 chapter 91 to effectuate the purpose of this subsection.

18 (d) Claims for a tax credit under this section shall be
19 filed on or before the end of the twelfth month following the
20 close of the taxable year for which the credit may be claimed.



1 Failure to properly claim the credit shall constitute a waiver
2 of the right to claim the credit.

3 (e) If the tax credit under this section exceeds the
4 individual's net income tax liability, any excess of the tax
5 credit may be used as a credit against the individual's income
6 tax liability in subsequent taxable years until exhausted.

7 (f) No individual that claims the tax credit under this
8 section shall claim any other credit for the same expenses or
9 costs.

10 (g) The director of taxation:

11 (1) Shall prepare any forms that may be necessary to claim
12 a tax credit under this section;

13 (2) May require proof of the claim for the tax credit; and

14 (3) May adopt rules pursuant to chapter 91 to effectuate
15 the purposes of this section."

16 SECTION 3. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$ or so
18 much thereof as may be necessary for fiscal year 2023-2024 and
19 the same sum or so much thereof as may be necessary for fiscal
20 year 2024-2025 for the establishment, implementation, and



1 administration of the wind resistance retrofit tax credit
2 program.

3 The sums appropriated shall be expended by the insurance
4 division of the department of commerce and consumer affairs for
5 the purposes of this Act.

6 SECTION 4. New statutory material is underscored.

7 SECTION 5. This Act shall take effect on July 1, 2050;
8 provided that section 2 of this Act shall apply to taxable years
9 beginning after December 31, 2023, and shall repeal on
10 January 1, 2029; provided further that section 3 of this Act
11 shall take effect on July 1, 2050.



Report Title:

Income Tax Credit; Wind Resistance Retrofit; Hurricane Preparedness; Insurance; DCCA; DOTAX

Description:

Establishes a nonrefundable individual income tax credit for expenses paid to retrofit a residence with wind resistive devices. Appropriates funds to the Insurance Division of the Department of Commerce and Consumer Affairs for the establishment, implementation, and administration of the wind resistance retrofit tax credit program. Effective 7/1/2050. Repeals 1/1/2029. (SD1)

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