

JAN 19 2007

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## A BILL FOR AN ACT

RELATING TO SEAWATER AIR CONDITIONING DISTRICT COOLING SYSTEMS.

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

1           SECTION 1. The legislature finds that seawater air  
2 conditioning district cooling systems help to reduce our  
3 dependence on fossil fuels and help our economy. The twenty-  
4 five thousand ton seawater air conditioning district cooling  
5 system under development for downtown Honolulu can potentially  
6 reduce Oahu's dependence on imported oil by as much as one  
7 hundred seventy-four thousand barrels annually.

8           The downtown Honolulu Seawater Air Conditioning Project  
9 will generate millions of dollars in construction project  
10 spending. In addition, it will create a significant amount of  
11 long-term, gainful employment. Other local economic development  
12 benefits will accrue from money that stays in Hawaii and is not  
13 exported outside the State to purchase oil.

14           The purpose of this Act is to assist seawater air  
15 conditioning district cooling systems by allowing the systems to  
16 benefit from the State's enterprise zone program.



1 SECTION 2. Section 209E-2, Hawaii Revised Statutes, is  
2 amended by amending the definition of "qualified business" to  
3 read as follows:

4 "Qualified business" means any corporation, partnership,  
5 or sole proprietorship authorized to do business in the State  
6 that is qualified under section 209E-9, subject to the state  
7 corporate or individual income tax under chapter 235, and  
8 ~~[+] is [+]~~:

- 9 (1) Engaged in manufacturing, the wholesale sale of  
10 tangible personal property as defined in section  
11 237-4, or a service business as defined in this  
12 chapter;
- 13 (2) Engaged in producing agricultural products where the  
14 business is a producer as defined in section 237-5;
- 15 (3) Engaged in research, development, sale, or production  
16 of all types of genetically-engineered medical,  
17 agricultural, or maritime biotechnology products; ~~[ex]~~
- 18 (4) Engaged in producing electric power from wind energy  
19 for sale primarily to a public utility company for  
20 resale to the public~~[-]~~; or
- 21 (5) Engaged in producing air conditioning from a seawater  
22 air conditioning district cooling system."



# S.B. NO. 994

1 SECTION 3. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect upon its approval.  
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INTRODUCED BY:           *Ron Nixon*            
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**Report Title:**

Enterprise Zones; Seawater Air Conditioning Cooling System

**Description:**

Allows the sale of cooling from seawater air conditioning district cooling systems to qualify for state enterprise zone benefits.



JAN 19 2007

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# A BILL FOR AN ACT

RELATING TO EARNED INCOME TAX CREDIT.

**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 be appropriately designated  
3 and to read as follows:

4           "§235-     Earned income tax credit. (a) Each resident  
5 individual taxpayer who files an individual income tax return  
6 for a taxable year, and who is not claimed or is not otherwise  
7 eligible to be claimed as a dependent by another taxpayer for  
8 income tax purposes, may claim a refundable earned income tax  
9 credit. The tax credit, for the appropriate taxable year, shall  
10 be equal to twenty per cent of the earned income credit allowed  
11 under section 32 of the Internal Revenue Code and reported as  
12 such on the resident individual's federal income tax return.

13           (b) In the case of a part-year resident, the tax credit  
14 shall equal the amount of the tax credit calculated in  
15 subsection (a) multiplied by the ratio of adjusted gross income  
16 attributed to this State to the entire adjusted gross income  
17 computed without regard to source in the State pursuant to  
18 section 235-5.



1        (c) For purposes of claiming the tax credit allowed by  
2 this section, a resident individual taxpayer shall use the same  
3 filing status (i.e., "married filing jointly", "head of  
4 household", "qualifying widow(er)", or "single") on the  
5 taxpayer's Hawaii tax return as used on the taxpayer's federal  
6 return for the taxable year. In the case of a husband and wife  
7 filing separately, the credit allowed may be applied against the  
8 tax of either, or divided between them, as they elect.

9        If the tax credit under this section exceeds the taxpayer's  
10 income tax liability, the excess of tax credit over liability  
11 shall be refunded to the taxpayer; provided that no refund or  
12 payment on account of the tax credit allowed by this section  
13 shall be made for amounts less than \$1.

14        All claims including any amended claims for a tax credit  
15 under this section shall be filed on or before the end of the  
16 twelfth month following the close of the taxable year for which  
17 the tax credit may be claimed; provided that failure to comply  
18 shall constitute a waiver of the right to claim the tax credit.

19        (d) The director of taxation:

20        (1) Shall prepare such forms as may be necessary to claim  
21 a tax credit under this section;

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



- 1        (3) Shall alert eligible taxpayers of the tax credit using
- 2                appropriate and available data;
- 3        (4) Shall prepare an annual report containing:
- 4                (A) The number of credits granted for the prior
- 5                        calendar year;
- 6                (B) The total amount of the credits granted; and
- 7                (C) The average value of the credits granted to
- 8                        taxpayers whose earned income falls within
- 9                        various income ranges; and
- 10        (5) May adopt rules pursuant to chapter 91 to effectuate
- 11                this section."

12        SECTION 2. New statutory material is underscored.

13        SECTION 3. This Act shall take effect upon its approval  
14 and shall apply to taxable years beginning after December 31,  
15 2006.

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INTRODUCED BY: Theranne Chun Oakland



**Report Title:**

Earned Income Tax Credit

**Description:**

Provides a state earned income tax credit.

