

JAN 19 2007

A BILL FOR AN ACT

RELATING TO INCOME TAX CREDIT.

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

1 SECTION 1. The legislature finds that the construction of
2 residential safe rooms would serve to mitigate the loss of life
3 in a hurricane or tsunami. Currently, the installation of wind
4 resistive devices, including safe rooms, qualify for a grant
5 under the loss mitigation grant program. Safe rooms, though
6 costly, provide additional safety.

7 The purpose of this Act is provide an income tax credit for
8 the construction of residential safe rooms.

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

12 "§235- Tax credit for safe room installation. (a)
13 There shall be allowed to each taxpayer who is not claimed or is
14 not otherwise eligible to be claimed as a dependent by another
15 taxpayer for federal or Hawaii state individual income tax
16 purposes, who files a net income tax return for a taxable year,
17 a one-time nonrefundable safe room tax credit that shall be



1 deductible from the taxpayer's net income tax liability imposed
2 by this chapter.

3 (b) The amount of the nonrefundable tax credit shall be
4 equal to per cent of the cost incurred by the taxpayer for
5 the installation, including the costs of construction or
6 renovation, of a residential safe room, as defined in section
7 431:22-101; provided that no refund or payment on account of the
8 tax credit allowed by this section shall be made for amounts
9 less than \$1.

10 (c) If the tax credit under this section exceeds the
11 taxpayer's net income tax liability, any excess of the tax
12 credit may be used as a credit against the taxpayer's income tax
13 liability in subsequent taxable years until exhausted.

14 (d) No taxpayer that claims the tax credit under this
15 section shall claim any other credit for the same expenses or
16 costs.

17 (e) The director of taxation shall prepare any forms that
18 may be necessary to claim a tax credit under this section, may
19 require proof of the claim for the tax credit, and may adopt
20 rules pursuant to chapter 91 to effectuate the purposes of this
21 section."

22 SECTION 3. New statutory material is underscored.



1 SECTION 4. This Act shall take effect upon its approval
2 and shall apply to taxable years beginning after
3 December 31, 2006.

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Report Title:

Taxes; Income Tax Credit; Safe Rooms

Description:

Provides tax credit to homeowners for construction of safe rooms.

