
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The purpose of this Act is to establish an
2 income tax deduction for owner occupants of residential housing
3 units for qualifying costs of automatic fire sprinkler systems
4 installed and placed into service after December 31, 2007.

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

8 "§235- Automatic fire sprinkler system; income tax
9 deduction. (a) There shall be allowed as a deduction from
10 gross income, by an individual taxpayer or a married couple
11 filing a joint return or filing separately, the qualifying costs
12 paid during the taxable year to install an automatic sprinkler
13 system in a single-family residence, a residential or mixed use
14 condominium, or a cooperative housing corporation; provided that
15 the individual taxpayer or married couple filing a joint return
16 or filing separately are owner-occupants of the single-family
17 residence or the residential or mixed use unit in a condominium
18 or cooperative housing project.



1 (b) The deduction shall be equal to the qualifying costs,
2 or a maximum of \$7,000 per residential unit, whichever is less,
3 for the automatic fire sprinkler system placed into service
4 after December 31, 2007.

5 (c) The director of taxation:

6 (1) Shall require the taxpayer to furnish reasonable
7 information to ascertain the validity of the claim for
8 a tax deduction made under this section; and

9 (2) May adopt rules necessary to effectuate this section
10 pursuant to chapter 91.

11 (d) For the purposes of this section:

12 "Automatic fire sprinkler system" means an integrated
13 system of underground and overhead piping designed in accordance
14 with fire protection engineering standards, the properties of
15 which shall include:

16 (1) That the portion of the automatic fire sprinkler
17 system that is above ground shall consist of a network
18 of specially sized or hydraulically designed piping
19 installed in a building, structure, or area, generally
20 overhead and to which sprinklers are connected in a
21 systematic pattern;



Report Title:

Income Tax Deduction; Automatic Fire Sprinkler System

Description:

Provides an income tax deduction to residential unit owner occupants for qualifying costs of installation of an automatic fire sprinkler system installed after December 31, 2007.

