
A BILL FOR AN ACT

RELATING TO MOTOR VEHICLES.

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

1 SECTION 1. The legislature finds that the use of hybrid
2 and alternative fuel motor vehicles is in the best interest of
3 the State in that it supports fuel efficient technologies,
4 decreases Hawaii's dependence on imported fuel oils, and
5 decreases harmful emissions that contribute to environmental
6 decay and global warming. The purpose of this Act is to provide
7 incentives to purchase and use hybrid and alternative fuel motor
8 vehicles by providing a tax credit for the purchase of these
9 types of vehicles, allowing them to be used in high-occupancy
10 vehicle lanes, and allowing them free metered parking.

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- Hybrid and alternative fuel motor vehicle tax
15 credit. (a) There shall be allowed to each taxpayer subject to
16 the tax imposed by this chapter a one-time tax credit for the
17 purchase of a new or used hybrid or alternative fuel motor
18 vehicle, placed in service after December 31, 2005, and



1 purchased on or before December 31, 2010, that shall be
2 deductible from the taxpayer's net income tax liability imposed
3 by this chapter for the taxable year in which the tax credit is
4 properly claimed; provided that individual taxpayers filing
5 separate returns for a taxable year for which a joint return
6 could have been filed by them shall claim only the tax credit to
7 which they would have been entitled had a joint return been
8 filed.

9 (b) The maximum allowable tax credit shall be \$1,500;
10 provided that no refund or payment on account of the tax credit
11 allowed by this section shall be made for amounts less than \$1.

12 (c) To qualify for the income tax credit, the taxpayer
13 shall provide adequate proof, as determined by the department,
14 of purchase of a hybrid or alternative fuel motor vehicle and
15 any other required costs or information necessary to claim a tax
16 credit under this section.

17 (d) A tax credit under this section that exceeds the
18 taxpayer's net income tax liability may be used as a credit
19 against the taxpayer's income tax liability in subsequent
20 taxable years until exhausted.

21 (e) All claims, including amended claims, for the tax
22 credit under this section shall be filed on or before the end of



1 the twelfth month following the close of the taxable year for
2 which the tax credit may be claimed. Failure to comply with the
3 foregoing provision shall constitute a waiver of the right to
4 claim the tax credit.

5 (f) The director of taxation shall:

6 (1) Prepare the forms as may be necessary to claim a tax
7 credit under this section; and

8 (2) Adopt rules pursuant to chapter 91 to effectuate the
9 purposes of this section.

10 (g) The department shall submit an annual report to the
11 legislature, no later than twenty days prior to the convening of
12 the regular session, on the number of taxpayers claiming the tax
13 credit and the total cost of the tax credit to the State during
14 the past year.

15 (h) As used in this section:

16 "Alternative fuel motor vehicle" means a motor vehicle that
17 is propelled through the use of an alternative fuel as that term
18 is defined in section 243-1.

19 "Hybrid motor vehicle" means a motor vehicle with a hybrid
20 propulsion system that uses a combination of electricity and
21 traditional fuel.



1 "Traditional fuel" means gasoline or other petroleum-based
2 motor fuel commonly used on the highways of the State."

3 SECTION 3. Chapter 291, Hawaii Revised Statutes, is
4 amended by adding a new section to be appropriately designated
5 and to read as follows:

6 "§291- Hybrid and alternative fuel motor vehicles;
7 metered parking permits. The director of transportation, in the
8 case of state highways, or the respective county director of
9 finance, in the case of county roads and streets, may issue a
10 limited number of parking permits to applicants that own hybrid
11 motor vehicles or alternative fuel motor vehicles to permit
12 vehicles displaying the permit to park without payment of
13 metered parking fees, in a state or county metered parking
14 space, respectively, for a maximum of two-and-a-half hours or
15 the maximum amount of time the meter allows, whichever is
16 longer.

17 For the purposes of this section, "hybrid motor vehicle"
18 means a motor vehicle with a hybrid propulsion system that uses
19 a combination of electricity and combustible fuel.

20 For the purposes of this section, "alternative fuel motor
21 vehicle" means a motor vehicle that is propelled through the use



1 of an alternative fuel as that term is defined in section 243-
2 1."

3 SECTION 4. Section 291C-222, Hawaii Revised Statutes, is
4 amended to read as follows:

5 **"§291C-222 Designation of high occupancy vehicle lane.**

6 (a) The director of transportation by rules adopted in
7 accordance with chapter 91, and the counties by ordinance, may
8 designate high occupancy vehicle lanes as to roadways under
9 their respective jurisdictions.

10 (b) Signs and other official traffic-control devices that
11 designate high occupancy vehicle lanes shall be placed and
12 maintained to advise drivers of the high occupancy vehicle
13 requirement and the hours of usage. When the high occupancy
14 vehicle lane also serves as a contra-flow lane, the hours of
15 usage as a high occupancy vehicle lane shall be the time when
16 the lane is coned for use as a high occupancy vehicle lane.

17 (c) No motor vehicle shall be operated upon these lanes
18 except in conformance with the instructions on the signs and
19 other official traffic-control devices.

20 (d) A hybrid motor vehicle or an alternative fuel motor
21 vehicle may use any high occupancy vehicle lane regardless of
22 the number of occupants.



1 For the purposes of this section, "hybrid motor vehicle"
2 and "alternative fuel motor vehicle" shall have the same
3 meanings as in section 235-_____.

4 [~~d~~] (e) A motorcycle may use any high occupancy vehicle
5 lane, regardless of the number of occupants.

6 [~~e~~] (f) Any vehicle authorized by rules adopted in
7 accordance with chapter 91 may use any high occupancy vehicle
8 lane, regardless of the number of occupants, when the use is
9 determined to enhance public safety and improves traffic
10 conditions."

11 SECTION 5. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 6. This Act shall take effect upon its approval,
14 provided that section 2 shall apply to taxable years beginning
15 after December 31, 2005.

16

INTRODUCED BY:


JAN 23 2007



Report Title:

Tax Credit; Hybrid Motor Vehicle

Description:

Provides a tax credit for the purchase of a hybrid or alternative fuel motor vehicle; allows hybrid or alternative fuel motor vehicles to be used in high-occupancy vehicle lanes, and allows free metered parking for hybrid and alternative fuel motor vehicles.

