
A BILL FOR AN ACT

RELATING TO ALTERNATE ENERGY DEVELOPERS.

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- Alternate energy developer tax credit. (a)
5 There shall be allowed to each individual or corporate taxpayer
6 who is subject to the taxes imposed by this chapter and who is
7 not otherwise eligible to be claimed as a dependent for federal
8 or state income taxes by another, an alternate energy developer
9 tax credit.

10 (b) The tax credit shall be equal to per cent of
11 the qualifying costs incurred by a developer of alternate
12 energy.

13 (c) The tax credit allowable under this section shall be
14 claimed against the net income tax liability, if any, imposed by
15 this chapter for the taxable year in which the credit is
16 properly claimed; provided that that the qualifying costs
17 claimed under this section shall not apply to any other tax
18 credit, tax deduction, or any other tax incentive allowed under



1 title 14.

2 (d) If the tax credit under this section exceeds the
3 taxpayer's income tax liability, the excess of credit over
4 liability may be used as a credit against the taxpayer's income
5 tax liability in subsequent years until exhausted.

6 (e) All claims, including amended claims, for a tax credit
7 under this section shall be filed on or before the end of the
8 twelfth month following the close of the taxable year for which
9 the credit may be claimed. Failure to comply with the foregoing
10 provision shall constitute a waiver of the right to claim the
11 credit.

12 (f) The director of taxation:

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

15 (2) May require the taxpayer to furnish information to
16 ascertain the validity of the claim for the credit
17 made under this section; and

18 (3) May adopt rules pursuant to chapter 91 to effectuate
19 this section.

20 (g) For the purposes of this section:

21 "Alternate energy" means energy produced from a source or
22 uses a process that does not use fossil fuels or nuclear fuels,



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1 including sources such as solid waste, wind, geothermal, solar,
 2 ocean waves, tides or currents, and processes such as bio-
 3 conversion, hydro-electric power, thermal conversion, or
 4 osmosis, but not including nuclear fission.

5 "Qualifying costs" means costs incurred by a taxpayer that
 6 is at least \$ _____ in the year the tax credit is claimed
 7 and used to develop alternate energy in the State.

8 SECTION 2. New statutory material is underscored.

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

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 JAN 19 2007



Report Title:

Taxation; Tax Credit; Alternate Energy

Description:

Provides a tax credit to developers of alternate energy.

