JAN 1 9 2007

A BILL FOR AN ACT

RELATING TO ENERGY RESOURCES.

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

1 SECTION 1. The legislature finds that solar energy devices for heating water is a great cost saver for homeowners. 2 The 3 monthly savings in electricity expenses would significantly 4 offset the cost of monthly mortgage payments. If every home has 5 a solar energy water heater, then the State's dependence on 6 imported oil would likewise be significantly reduced over time. 7 The purpose of this Act is to: 8 (1)Require the installation of solar energy devices for 9 heating water in all new residential construction, 10 beginning January 1, 2008; and Expands the existing income tax credit for solar 11 (2) 12 thermal energy systems for homes in existence as of 13 December 31, 2007. SECTION 2. Chapter 196, Hawaii Revised Statutes, is 14

amended by adding a new section to be appropriately designated

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and to read as follows:

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S.B. NO. 644

1	" <u>§196-</u>	Solar ene	rgy (devices	requir	ed for	new re	siden	tial
2	construction.	Beginning Jan		nuary 1, 2008, s		solar	olar energy dev		es,
3	as provided in	section 1	96-7	, shall	be ins	talled	to hea	at wat	er,
4	in the construc	ction of e	very	new re	sidenti	al sing	gle-far	nily	
5	residence, cond	lominium,	and	townhou	se, exc	ept wh	en:		
6	(1) Insta	illation i	s im	practic	able du	e to b	uilding	g desi	gn
7	or lo	cation of	the	buildi	ng; or				
8	(2) Insta	illation i	s cos	st proh	ibitive	<u>;</u>			
9	as determined b	y the cou	nty l	buildin	g code	author	ity upo	<u>on</u>	
10	application for	an exemp	tion	# *					
11	SECTION 3.	Section	235-	-12.5,	Hawaii	Revise	d Statı	ıtes,	is
12	amended by amen	ding subs	ecti	on (a)	to read	as fo	llows:		
13	"(a) When	the requ	ireme	ents of	subsec	tion (c) are	met,	each
14	individual or c	orporate	resio	dent ta:	xpayer	that f	iles ar	ı	
15	individual or c	orporate :	net :	income	tax ret	urn fo	r a tax	kable	year
16	may claim a tax	credit u	nder	this s	ection	agains	t the I	ławaii	
17	state individua	1 or corp	orate	e net i	ncome t	ax. T	he tax	credi	t
18	may be claimed	for every	elig	gible r	enewabl	e ener	gy tecl	nolog	Y
19	system that is	installed	and	placed	in ser	vice by	y a tax	cpayer	
20	during the taxa	ble year.	Th	is cred	it shal	l be a	vailab	le for	
21	systems install	ed and pla	aced	in ser	vice af	ter Ju	ne 30,	2003.	
22	The tax credit	may be cla	aimed	d as fo	llows:				

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1	(1)	Sola	r thermal energy systems <u>installed</u> in single
2		<u>fami</u>	ly and multi-family residential properties before
3		Janu	ary 1, 2008, for:
4		(A)	Single-family residential property: thirty-five
5			per cent of the actual cost or $[\frac{2,250}{},]$ \$3,250,
6			whichever is less;
7		(B)	Multi-family residential property: thirty-five
8			per cent of the actual cost or [\$350] \$450 per
9			unit, whichever is less; and
10		(C)	Commercial property: thirty-five per cent of the
11			actual cost or \$250,000, whichever is less;
12	(2)	Wind	-powered energy systems for:
13		(A)	Single-family residential property: twenty per
14			cent of the actual cost or \$1,500, whichever is
15			less;
16		(B)	Multi-family residential property: twenty per
17			cent of the actual cost or \$200 per unit,
18			whichever is less; and
19		(C)	Commercial property: twenty per cent of the
20			actual cost or \$500,000, whichever is less; and
21	(3)	Phot	ovoltaic energy systems for.

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1	(A)	Single-family residential property: thirty-five
2		per cent of the actual cost or \$5,000, whichever
3		is less;
4	(B)	Multi-family residential property: thirty-five
5		per cent of the actual cost or \$350 per unit,
6		whichever is less; and
7	(C)	Commercial property: thirty-five per cent of the
8		actual cost or \$500,000, whichever is less;
9	provided that	multiple owners of a single system shall be
10	entitled to a	single tax credit; and provided further that the
11	tax credit sha	11 be apportioned between the owners in proportion
12	to their contr	ibution to the cost of the system.
13	In the ca	se of a partnership, S corporation, estate, or
14	trust, the tax	credit allowable is for every eligible renewable
15	energy technol	ogy system that is installed and placed in service
16	by the entity.	The cost upon which the tax credit is computed
17	shall be deter	mined at the entity level. Distribution and share
18	of credit shal	l be determined pursuant to section 235-110.7(a)."
19	SECTION 4	. Statutory material to be repealed is bracketed
20	and stricken.	New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY: My L. Hoo

Report Title:

Solar Energy Devices; Residential Construction

Description:

Requires the installation of solar energy devices in all new residential construction, beginning January 1, 2008. Increases limits for renewable energy income tax credit to systems installed and placed in service, in single family and multifamily residential properties before January 1, 2008.