A BILL FOR AN ACT

RELATING TO TAXATION.

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	" <u>§235-</u> Battery backup system tax credit. (a) Each
5	individual or corporate taxpayer that files an individual or
6	corporate net income tax return for a taxable year may claim a
7	tax credit under this section against the Hawaii state
8	individual or corporate net income tax. The tax credit may be
9	claimed for every eligible battery backup system that is
10	installed and placed in service in the State by a taxpayer
11	during the taxable year.
12	The amount of the credit shall be equal to twenty-five per
13	cent of the actual cost of each battery backup system installed
14	or the cap amount determined in subsection (b), whichever is
15	less; provided that multiple owners of a single system shall be
16	entitled to a single tax credit; and provided further that the

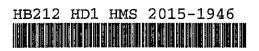


H.B. NO. ²¹² H.D. 1

1	tax credit	t shall be apportioned between the owners in proportion
2	to their d	contribution to the cost of the system.
3	In th	ne case of a partnership, S corporation, estate, or
4	trust, the	e tax credit allowable is for every eligible battery
5	backup sys	stem that is installed and placed in service in the
6	State by t	the entity. The cost upon which the tax credit is
7	computed s	shall be determined at the entity level. Distribution
8	and share	of credit shall be determined pursuant to section 235-
9	<u>110.7(a).</u>	
10	<u>(b)</u>	The amount of credit allowed for each eligible battery
11	backup sys	stem shall not exceed the applicable cap amount, which
12	is determ	ined as follows:
13	(1)	\$10,000 per system for single-family residential
14		property;
15	(2)	<pre>\$ per unit per system for multi-family</pre>
16		residential property; and
17	<u>(3)</u>	\$250,000 per system for commercial property.
18	<u>(c)</u>	For the purposes of this section:
19	"Actu	al cost" means costs related to the battery backup
20	system und	der subsection (a), including accessories and
21	installati	on, but not including the cost of consumer incentive



1	premiums unrelated to the operation of the system or offered
2	with the sale of the system and costs for which another credit
3	is claimed under this chapter.
4	"Battery backup system" or "system" means any identifiable
5	facility, equipment, apparatus, or the like that uses batteries
6	to store electrical energy generated by a solar energy system,
7	as defined in section 235-12.5, for use during times when no
8	solar resources are available to generate power; provided that
9	for each single-family, multi-family, or commercial property, a
10	system shall consist of batteries with a collective capacity of
11	no more than five kilowatt hours.
12	(d) The director of taxation shall prepare any forms that
13	may be necessary to claim a tax credit under this section. The
14	director may also require the taxpayer to furnish reasonable
15	information to ascertain the validity of the claim for credit
16	made under this section and may adopt rules necessary to
17	effectuate the purposes of this section pursuant to chapter 91.
18	(e) If the tax credit under this section exceeds the
19	taxpayer's income tax liability, the excess of the credit over
20	liability may be used as a credit against the taxpayer's income
21	tax liability in subsequent years until exhausted. All claims



Page 3

1	for the tax credit under this section, including amended claims,
2	shall be filed on or before the end of the twelfth month
3	following the close of the taxable year for which the credit may
4	be claimed. Failure to comply with this subsection shall
5	constitute a waiver of the right to claim the credit."
6	SECTION 2. Section 235-12.5, Hawaii Revised Statutes, is
7	amended by amending the definition of "actual cost" to read as
8	follows:
9	""Actual cost" means costs related to the renewable energy
10	technology systems under subsection (a), including accessories
11	and installation, but not including the cost of consumer
12	incentive premiums unrelated to the operation of the system or
13	offered with the sale of the system and costs for which another
14	credit is claimed under this chapter. <u>"Actual cost" does not</u>
15	include costs related to battery backup systems, as defined in
16	section 235"
17	SECTION 3. New statutory material is underscored.
18	SECTION 4. This Act, upon its approval, shall apply to
19	taxable years beginning after December 31, 2015.

HB212 HD1 HMS 2015-1946

Page 4

Report Title:

Battery Backup System Tax Credit

Description:

Establishes a nonrefundable income tax credit for taxpayers who purchase and install battery backup systems for solar energy systems. (HB212 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

