
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 235-16.5, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending subsection (e) to read:

4 "(e) The department of health shall:

5 (1) Certify all qualified cesspools for the purposes of
6 this section; [~~provided that, as a pilot program, the~~
7 ~~department of health, in its discretion, may certify~~
8 ~~no more than two residential large capacity cesspools~~
9 ~~as qualified cesspools;~~]

10 (2) Collect and maintain a record of all qualified
11 expenses certified by an appropriate government agency
12 for the taxable year; and

13 (3) Certify to each taxpayer the amount of credit the
14 taxpayer may claim; provided that if, in any year, the
15 annual amount of certified credits reaches \$5,000,000
16 in the aggregate, the department of health shall



1 immediately discontinue certifying credits and notify
2 the department of taxation.

3 The director of health may adopt rules under chapter 91 as
4 necessary to implement the certification requirements under this
5 section.

6 2. By amending the definition of "qualified cesspool" in
7 subsection (i) to read:

8 "Qualified cesspool" means a cesspool that is ~~[certified]~~:

9 (1) Certified by the department of health as being:

10 ~~[(1)]~~ (A) Located within:

11 ~~[(A)]~~ (i) ~~[Two]~~ Five hundred feet of a shoreline,
12 perennial stream, or wetland; or

13 ~~[(B)]~~ (ii) A source water assessment program area (two
14 year time of travel from a cesspool to a public
15 drinking water source); or

16 ~~[(2)]~~ (B) A residential large capacity cesspool~~[-]~~; or

17 (2) Certified by a county or private sewer company as
18 being appropriate for connection to its existing sewer
19 system."

20 SECTION 2. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



H.B. NO. 602

1 SECTION 3. This Act, upon its approval, shall apply to
 2 taxable years beginning after December 31, 2016.

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INTRODUCED BY: Mike F. Loren

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H.B. NO. 602

Report Title:

Cesspools; Income Tax Credit

Description:

Amends the cesspool upgrade, conversion, or connection income tax credit by: (1) deleting the residential large capacity cesspool certification pilot program; and (2) expanding the definition of "qualified cesspool" to include cesspools that are certified for connection to an existing sewer system.

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