
A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY TAX CREDITS.

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

1 SECTION 1. Section 235-12.5, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) The amount of credit allowed for each eligible
4 renewable energy technology system shall not exceed the
5 applicable cap amount, which is determined as follows:

6 (1) If the primary purpose of the solar energy system is
7 to use energy from the sun to heat water for household
8 use, then the cap amounts shall be:

9 (A) \$2,250 per system for single-family residential
10 property;

11 (B) [~~\$350~~] \$750 per unit per system for multi-family
12 residential property; and

13 (C) \$250,000 per system for commercial property;

14 (2) For all other solar energy systems, the cap amounts
15 shall be:

16 (A) \$5,000 per system for single-family residential
17 property; provided that if all or a portion of



1 the system is used to fulfill the substitute
2 renewable energy technology requirement pursuant
3 to section 196-6.5(a)(3), the credit shall be
4 reduced by thirty-five per cent of the actual
5 system cost or \$2,250, whichever is less;
6 provided that, after December 31, 2024, no credit
7 shall be allowed;

8 (B) [~~\$350~~] \$750 per unit per system for multi-family
9 residential property; provided that, after
10 December 31, 2024, no credit shall be allowed;
11 and

12 (C) \$500,000 per system for commercial property;
13 provided that, after December 31, 2024, no credit
14 shall be allowed; provided further that,
15 notwithstanding the foregoing provision, any
16 other law to the contrary, and any amendment made
17 to this section, for solar energy systems
18 installed and placed in service pursuant to a
19 power purchase agreement approved by the public
20 utilities commission prior to December 31, 2019,
21 the cap amount per system shall be thirty-five

1 per cent of the actual cost or \$500,000 per
2 megawatt direct current, whichever is less; and

3 (3) For all wind-powered energy systems, the cap amounts
4 shall be:

5 (A) \$1,500 per system for single-family residential
6 property; provided that if all or a portion of
7 the system is used to fulfill the substitute
8 renewable energy technology requirement pursuant
9 to section 196-6.5(a)(3), the credit shall be
10 reduced by twenty per cent of the actual system
11 cost or \$1,500, whichever is less;

12 (B) \$200 per unit per system for multi-family
13 residential property; and

14 (C) \$500,000 per system for commercial property."

15 SECTION 2. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 3. This Act shall take effect on July 1, 2050, and
18 shall apply to taxable years beginning after December 31, 2019.



Report Title:

Renewable Energy Technologies; Solar; Photovoltaic; Energy Systems; Tax Credit

Description:

Increases the cap amount of the renewable energy technologies income tax credit for solar water heating systems installed and placed in service for multi-family residential property. Beginning 1/1/2025, eliminates the renewable energy technologies income tax credit for solar energy systems for which the primary purpose is not to heat water. Preserves the tax credit for solar energy systems installed and placed in service pursuant to a power purchase agreement for commercial properties that was approved by the Public Utilities Commission prior to 12/31/2019. Effective 7/1/2050. (SD2)

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