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# A BILL FOR AN ACT

RELATING TO TAXATION.

**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~~] \$1,125 per system for single-family  
10 residential property;

11           (B) [~~\$350~~] \$175 per unit per system for multi-family  
12 residential property; and

13           (C) [~~\$250,000~~] \$125,000 per system for commercial  
14 property;

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



- 1 (A) [~~\$5,000~~] \$2,500 per system for single-family  
2 residential property; provided that if all or a  
3 portion of the system is used to fulfill the  
4 substitute renewable energy technology  
5 requirement pursuant to section 196-6.5(a)(3),  
6 the credit shall be reduced by thirty-five per  
7 cent of the actual system cost or [~~\$2,250,~~  
8 \$1,125, whichever is less;
- 9 (B) [~~\$350~~] \$175 per unit per system for multi-family  
10 residential property; and
- 11 (C) [~~\$500,000~~] \$250,000 per system for commercial  
12 property; and
- 13 (3) For all wind-powered energy systems, the cap amounts  
14 shall be:
- 15 (A) [~~\$1,500~~] \$750 per system for single-family  
16 residential property; provided that if all or a  
17 portion of the system is used to fulfill the  
18 substitute renewable energy technology  
19 requirement pursuant to section 196-6.5(a)(3),  
20 the credit shall be reduced by twenty per cent of



1                   the actual system cost or [~~\$1,500~~] \$750,  
2                   whichever is less;  
3           (B)   [~~\$200~~] \$100 per unit per system for multi-family  
4                   residential property; and  
5           (C)   [~~\$500,000~~] \$250,000 per system for commercial  
6                   property."

7           SECTION 2. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9           SECTION 3. This Act shall take effect on January 1, 2022.



**Report Title:**

Renewable Energy Technologies; Income Tax Credit

**Description:**

Reduces the cap amounts of the renewable energy technologies income tax credit. Effective January 1, 2022. (SD1)

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

