
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 "§235- Safe room installation; income tax credit. (a)

5 There shall be allowed to each taxpayer subject to the tax
6 imposed under this chapter, a nonrefundable safe room
7 installation income tax credit that shall be deductible from the
8 taxpayer's net income tax liability, if any, imposed by this
9 chapter for the taxable year in which the credit is properly
10 claimed.

11 (b) In the case of a partnership, S corporation, estate,
12 or trust, the tax credit allowable shall be for qualified
13 expenses incurred by the entity for the taxable year. The
14 expenses upon which the tax credit is computed shall be
15 determined at the entity level. Distribution and share of
16 credit shall be determined by rule.



1 (c) The safe room installation income tax credit shall be
2 equal to per cent of the taxpayer's qualified expenses, up
3 to a maximum of \$.

4 (d) The total amount of tax credits allowed under this
5 section shall not exceed \$ for all taxpayers in any
6 taxable year; provided that any taxpayer who is ineligible to
7 claim the credit in a taxable year due to the \$ cap
8 having been exceeded for that taxable year shall be eligible to
9 claim the credit in the subsequent taxable year.

10 (e) The director of taxation:

11 (1) Shall prepare any forms that may be necessary to claim
12 a tax credit under this section;

13 (2) Shall require the taxpayer to furnish reasonable
14 information to verify the claim for the tax credit
15 made under this section, including but not limited to
16 requiring the taxpayer to provide a certification from
17 an architect or structural engineer licensed to
18 practice in the State certifying that the completed
19 safe room or safe rooms satisfy the minimum
20 specifications established by this section; and



1 (3) May adopt rules under chapter 91 necessary to
2 effectuate the purposes of this section.

3 (f) The credit allowed under this section shall be claimed
4 against the net income tax liability for the taxable year. If
5 the tax credit under this section exceeds the taxpayer's income
6 tax liability, the excess of the tax credit over liability may
7 be used as a credit against the taxpayer's net income tax
8 liability in subsequent years until exhausted. All claims,
9 including amended claims, for a tax credit under this section
10 shall be filed on or before the end of the twelfth month
11 following the close of the taxable year for which the credit may
12 be claimed. Failure to comply with the foregoing provision
13 shall constitute a waiver of the right to claim the credit.

14 (g) For the purposes of this section:

15 "Qualified expenses" means costs that are necessary and
16 directly incurred by the taxpayer for the design, materials,
17 installation, and construction of one or more safe rooms located
18 on the taxpayer's property.

19 "Safe room" means a windowless room within a residence or
20 within an accessory building to a residence, designed and



1 constructed to resist the effects of wind pressures and to
2 resist impact from windborne debris; provided that the room:

3 (1) Is not located in a flood zone, storm surge, or other
4 area susceptible to flooding;

5 (2) Is readily accessible to persons residing within the
6 residence; and

7 (3) Is designed and constructed pursuant to hurricane
8 standards that are, at a minimum, in compliance with:

9 (A) Federal Emergency Management Agency Publication
10 320 "Taking Shelter from the Storm: Building or
11 Installing a Safe Room for Your Home", March 2021
12 edition, as amended; and

13 (B) Federal Emergency Management Agency Publication
14 361 "Safe Rooms for Tornadoes and Hurricanes:
15 Guidance for Community and Residential Safe
16 Rooms", April 2021 edition, as amended.

17 (h) No other tax credit or deduction shall be claimed
18 under this chapter for qualified expenses for the taxable year."

19 SECTION 2. New statutory material is underscored.

20 SECTION 3. This Act shall take effect on July 1, 2077.



S.B. NO. 138
S.D. 1

Report Title:

Income Tax Credit; Safe Room Installation Income Tax Credit;
Hurricane-Resistant Safe Rooms; Director of Taxation

Description:

Establishes a nonrefundable income tax credit for taxpayers that incur costs related to the design, materials, installation, and construction of hurricane-resistant safe rooms. Effective 7/1/2077. (SD1)

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