

**ACT 19**

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**S.B. NO. 1597-78**

**A Bill for an Act Relating to Tax Incentives for Energy Conservation.**

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 235, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“Sec. 235- Energy conservation devices for hot water heaters; income tax credit.** (a) Each individual and corporate resident taxpayer who files an individual or corporate net income tax return for a taxable year, may claim a tax credit under this section against the Hawaii state individual or corporate net income tax. The tax credit may be claimed for the cost and installation of material for the insulation of a hot water heater tank and hot water pipes where exposed. The tax credit shall be granted for the total cost and installation of the insulation material for the hot water heater tank and hot water pipes where exposed; provided the tax credit shall not exceed \$30. The credit shall be claimed against net income tax liability for the year in which the insulation material was purchased and installed; provided the tax credit shall be applicable only in respect to hot water heater tank and hot water pipe insulation material which is installed after December 31, 1977 but before December 31, 1984. Tax credits which exceed the taxpayer’s income tax liability may be used as a credit against the taxpayer’s income tax liability in subsequent years until exhausted.

(b) The director of taxation shall prepare such forms as may be necessary to claim a credit under this section. The director may also require the taxpayer to furnish reasonable information in order to ascertain the validity of the claim for credit made under this section and may adopt rules necessary to effectuate the purposes of this section pursuant to chapter 91.

(c) As used in this section, “insulation material” means any new identifiable material, device, apparatus, or the like that covers, wraps, surrounds, or can otherwise be affixed to a hot water tank and exposed hot water pipes to prevent or reduce the loss of heat from the tank.”

SECTION 2. New statutory material is underscored. In printing this Act, the revisor of statutes need not include the underscoring.\*

SECTION 3. This Act, upon its approval, shall apply to taxable years beginning after December 31, 1977.

(Approved April 17, 1978.)

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\*Edited accordingly.