

ACT 233

H.B. NO. 35

A Bill for an Act Relating to Tax Incentives for Solar Energy Devices.

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

SECTION 1. Section 235-12, Hawaii Revised Statutes, is amended to read as follows:

“§235-12 Solar or wind energy devices and heat pumps; 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 any solar or wind energy device or heat pump in an amount not to exceed ten per cent of the total cost of the device or heat pump; provided that after May 29, 1980, the tax credit shall apply only to the actual cost of the solar or wind energy device or the heat pump, their accessories, and installation and shall not include the cost of consumer incentive premiums unrelated to the operation of the solar or wind energy device or the heat pump offered with the sale of the solar or wind energy device or the heat pump. The credit shall be claimed against net income tax liability for the year in which the solar or wind energy device or the heat pump was purchased and placed in use; provided the tax credit shall be applicable only with respect to solar devices which are erected and placed in service after December 31, 1974 but before December 31, 1985; provided further that in the case of wind energy devices and heat pumps, the tax credit shall be applicable only with respect to wind energy devices and heat pumps which are installed and placed in service after December 31, 1980 but before December 31, 1985. Tax credits which exceed the taxpayer's income tax liability may be used as a credit against his 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. He may also require the taxpayer to furnish reasonable information in order that he may ascertain the validity of the claim for credit made under this section and he may adopt rules necessary to effectuate the purposes of this section pursuant to chapter 91.

(c) As used in this section “solar or wind energy device” means any new identifiable facility, equipment, apparatus, or the like which makes use of solar or wind energy for heating, cooling, or reducing the use of other types of energy dependent upon fossil fuel for their generation. “Heat pump” means and refers to an electric powered compression heating system which utilizes warm ambient air or heated gas to assist in the production of hot water in home water heaters.”

SECTION 2. Statutory material to be repealed is bracketed. New material is underscored.*

SECTION 3. This Act, upon its approval, shall apply to taxable years beginning after December 31, 1980.

(Approved June 23, 1981.)

*The text has been edited pursuant to HRS §23G-16.5, authorizing omission of the brackets, bracketed material, and underscoring.