

ACT 99

S.B. NO. 1998

A Bill for an Act Relating to the Taxation of Financial Institutions.

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

SECTION 1. The legislature recognizes the need to promote and support energy conservation and renewable energy resources in the State of Hawaii. Section 235-12, Hawaii Revised Statutes, provides income tax credits to encourage energy conservation by providing tax incentives for the purchase and installation of energy conserving devices and systems.

The legislature also finds that the taxpayer interested in utilizing a qualified energy conservation device may choose to finance the equipment under a

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leasing arrangement and that a majority of equipment lessors in Hawaii are subject to the franchise tax under chapter 241 rather than the corporate income tax. The franchise tax currently does not provide for an energy credit similar to the credit under section 235-12.

The purpose of this Act is to make operative the energy conservation income tax credit as provided under section 235-12 for chapter 241 effective for taxable years beginning after December 31, 1990.

SECTION 2. Chapter 241, Hawaii Revised Statutes, is amended by adding a new section to read as follows:

“§241- Energy conservation; income tax credit. The energy conservation income tax credit provided under section 235-12 shall be operative for this chapter for all taxable years beginning after December 31, 1990.”

SECTION 3. New statutory material is underscored.¹

SECTION 4. This Act, upon its approval, shall apply to all taxable years beginning after December 31, 1990.

(Approved May 7, 1991.)

Note

1. Edited pursuant to HRS §23G-16.5.