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A BILL FOR AN ACT

RELATING TO AUTOMATIC FIRE SUPPRESSION SYSTEMS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that an automatic fire suppression
2 system in one- or two-family dwellings are rare in the State. One reason for the
3 lack of an automatic fire suppression system in one- or two-family dwellings is the
4 cost of installing automatic fire suppression systems. The legislature finds that an
5 incentive is needed to promote the installation of automatic fire suppression system
6 in one- or two-family dwellings in the State.

7 The purpose of this Act is to provide an incentive to install an automatic fire
8 suppression system in any new detached one- or two-family dwelling unit that is in
9 a structure which is used only for residential purposes by establishing a tax credit
10 comprising a percentage of the actual costs of the system, including installation.

11 SECTION 2. Section 235, Hawai'i Revised Statutes, is amended by
12 adding a new section to be appropriately designated and to read as follows:

13 “§235- Tax credit to promote the installation of an
14 automatic fire suppression system in residences. (a) Any qualifying
15 taxpayer who files an individual income tax return for a taxable year may

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1 claim an income tax credit under this section against the Hawai'i state
2 individual net income tax.

3 (b) The tax credit may be claimed for every eligible automatic fire
4 suppression system that is installed and placed in service by the taxpayer
5 during the taxable year in any new detached one- or two-family dwelling unit
6 that is in a structure which is used only for residential purposes. For each
7 automatic fire suppression system, the tax credit that may be claimed shall
8 be twenty-five per cent of the actual cost of the system, including installation
9 costs; provided that multiple owners of a single automatic fire suppression
10 system shall be entitled to a single tax credit; and provided further that the
11 tax credit shall be apportioned between the owners in proportion to their
12 contribution to the cost of the automatic fire suppression system.

13 (c) If the tax credit claimed by the taxpayer under this section
14 exceeds the amount of the income tax payments due from the taxpayer, the
15 excess of credit over payments due shall be refunded to the taxpayer;
16 provided that the tax credit properly claimed by a taxpayer who has no
17 income tax liability shall be paid to the taxpayer; and provided that no
18 refunds or payments on account of the tax credit allowed by this section shall
19 be made for amounts less than \$1.

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1 (d) The director of taxation shall prepare such forms as may be
2 necessary to claim a credit under this section, may require proof of the claim
3 for the tax credit, and may adopt rules pursuant to chapter 91.

4 (e) All of the provisions relating to assessments and refunds under
5 this chapter and under section 231-23(c)(1) shall apply to the tax credit under
6 this section.

7 (f) Claims for the tax credit under this section, including any
8 amended claims, shall be filed on or before the end of the twelfth month
9 following the taxable year for which the credit may be claimed.”

10 SECTION 2. New statutory material is underscored.

11 SECTION 3. This Act shall take effect upon its approval and shall
12 apply to taxable years beginning after December 31, 2018; provided that this Act
13 shall be repealed on June 30, 2025.

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INTRODUCED BY:

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Report Title:

Automatic Fire Suppression System; Tax Credit

Description:

Establishes a tax credit of twenty-five per cent of the total cost, including installation, of an automatic fire suppression system in any new detached one- or two-family dwelling unit in a structure used only for residential purposes. Sunsets on June 30, 2025.

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