THE SENATE TWENTY-FOURTH LEGISLATURE, 2007 STATE OF HAWAII

S.B. NO. **115**

1

JAN 1 9 2007

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1	SECTION 1. The purpose of this Act is to establish an
2	income tax deduction for owner occupants of residential housing
3	units for qualifying costs of automatic fire sprinkler systems
4	installed and placed into service after December 31, 2007.
5	SECTION 2. Chapter 235, Hawaii Revised Statutes, is
6	amended by adding a new section to be appropriately designated
7	and to read as follows:
8	" <u>§235-</u> Automatic fire sprinkler system; income tax
9	deduction. (a) There shall be allowed as a deduction from
10	gross income by an individual taxpayer or a married couple
11	filing a joint return or filing separately the qualifying costs
12	paid during the taxable year to install an automatic sprinkler
13	system in a single-family residence, in a residential or mixed
14	use condominium, or in a cooperative housing corporation for
15	that portion of maintenance fees allocable to qualifying costs
16	to install an automatic fire sprinkler system in their



S.B. NO. **115**

2

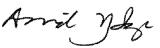
1	taxpayer	or married couple filing a joint return or filing
2	separatel	y are owner-occupants of the single-family residence,
3	or the re	sidential unit in a condominium or cooperative housing
4	project.	
5	(b)	The deduction shall be equal to the qualifying costs,
6	or a maxi	mum of \$7,000 per residential unit, whichever is less,
7	for the a	utomatic fire sprinkler system placed into service
8	after Dec	ember 31, 2007.
9	(c)	The director of taxation:
10	(1)	Shall require the taxpayer to furnish reasonable
11		information to ascertain the validity of the claim for
12		credit made under this section; and
13	(2)	May adopt rules necessary to effectuate this section
14		pursuant to chapter 91.
15	(d)	For the purposes of this section:
16	"Auto	omatic fire sprinkler system" means an integrated
17	system of	underground and overhead piping designed in accordance
18	with fire	protection engineering standards, the properties of
19	which shal	ll include:
20	(1)	That the portion of the automatic fire sprinkler
21		system that is above ground shall consist of a network
22		of specially sized or hydraulically designed piping



Page 2

S.B. NO. 775

4		destalled in a huilding structure on eres generally	
1		installed in a building, structure, or area, generally	
2		overhead and to which sprinklers are connected in a	
3		systematic pattern;	
4	(2)	That the valve controlling each system riser shall be	
5		located in the system riser or its supply piping;	
6	(3)	That each sprinkler system riser shall include a	
7		device for activating an alarm when the system is in	
8		operation; and	
9	(4)	That the device shall be normally activated by heat	
10		from a fire and discharges water over the fire area.	
11	"Qua	lifying costs" means costs incurred in purchasing or	
12	otherwise acquiring and installing an automatic fire sprinkler		
13	system, including but not limited to accessories and		
14	installation, professional fees for design and construction, and		
15	government permit and access fees."		
16	SECTION 3. New statutory material is underscored.		
17	SECTION 4. This Act, upon its approval, shall apply to		
18	taxable years beginning after December 31, 2007.		
19			
		INTRODUCED BY: Jonaine &. Mony	
	4	INIKUDUCED BR: ATTACK YOUTH	





Geeckenning Don menn Carre Freemage

Report Title:

Income Tax Deduction; Automatic Fire Sprinkler System

Description:

Provides an income tax deduction to residential unit owner occupants for qualifying costs of installation of an automatic fire sprinkler system installed after December 31, 2007.

. .

