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# A BILL FOR AN ACT

RELATING TO INCOME TAX CREDIT.

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

1           SECTION 1. The legislature finds that the construction of  
2 residential safe rooms would serve to mitigate the loss of life  
3 in a hurricane or tsunami. Currently, the installation of wind  
4 resistive devices, including safe rooms, qualify for a grant  
5 under the loss mitigation grant program. Safe rooms, though  
6 costly, provide additional safety.

7           The purpose of this Act is provide an income tax credit for  
8 the construction of residential safe rooms.

9           SECTION 2. Chapter 235, Hawaii Revised Statutes, is  
10 amended by adding a new section to be appropriately designated  
11 and to read as follows:

12           "§235-     Tax credit for safe room installation.     (a)  
13 There shall be allowed to each individual who is not claimed or  
14 is not otherwise eligible to be claimed as a dependent by  
15 another individual for federal or Hawaii state individual income  
16 tax purposes, who files a net income tax return for a taxable  
17 year, a one-time nonrefundable safe room tax credit that shall



1 be deductible from the individual's net income tax liability  
2 imposed by this chapter.

3 (b) The amount of the nonrefundable tax credit shall be  
4 equal to per cent of the cost incurred by the individual  
5 for the installation, including the costs of construction or  
6 renovation, of a residential safe room, as defined in section  
7 431:22-101; provided that no refund or payment on account of the  
8 tax credit allowed by this section shall be made for amounts  
9 less than \$1.

10 (c) All claims for a tax credit under this section shall  
11 be filed on or before the end of the twelfth month following the  
12 close of the taxable year for which the credit may be claimed.  
13 Failure to properly claim the credit shall constitute a waiver  
14 of the right to claim the credit.

15 (d) If the tax credit under this section exceeds the  
16 individual's net income tax liability, any excess of the tax  
17 credit may be used as a credit against the individual's income  
18 tax liability in subsequent taxable years until exhausted.

19 (e) No individual that claims the tax credit under this  
20 section shall claim any other credit for the same expenses or  
21 costs.



1        (f) The director of taxation shall prepare any forms that  
2 may be necessary to claim a tax credit under this section, may  
3 require proof of the claim for the tax credit, and may adopt  
4 rules pursuant to chapter 91 to effectuate the purposes of this  
5 section."

6        SECTION 3. New statutory material is underscored.

7        SECTION 4. This Act shall take effect upon its approval  
8 and shall apply to taxable years beginning after  
9 December 31, 2006.



**Report Title:**

Taxes; Income Tax Credit; Safe Rooms

**Description:**

Provides an income tax credit to homeowners for construction of safe rooms.

