
A BILL FOR AN ACT

RELATING TO ELECTRIC VEHICLES.

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

1 SECTION 1. The legislature finds that the use of electric
2 vehicles improves fuel economy, lowers fuel costs, and reduces
3 vehicle emissions. These benefits help to reduce the State's
4 reliance on imported petroleum, thereby increasing energy
5 security and sustainability.

6 The purpose of this Act is to encourage the purchase of
7 electric vehicles through the allowance of an income tax credit
8 for the purchase of electric vehicles.

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 purchasers of electric vehicles.

13 (a) Each purchaser of a new electric vehicle who files an
14 individual or corporate net income tax return for a taxable year
15 may claim an income tax credit under this section against the
16 taxpayer's net income tax liability.

17 (b) The tax credit shall be an amount equal to per
18 cent of the cost of the purchase of a new electric vehicle.



1 (c) The cost upon which the tax credit is computed shall
2 be determined at the entity level. In the case of a
3 partnership, S corporation, estate, trust, or other pass through
4 entity, distribution and share of the credit shall be determined
5 by rule.

6 If a deduction is taken under section 179 (with respect to
7 election to expense depreciable business assets) of the Internal
8 Revenue Code, no tax credit shall be allowed for that portion of
9 costs for which a deduction was taken. Additionally, if a
10 deduction is taken under section 30 (with respect to federal
11 credits for qualified plug-in electric vehicles) of the Internal
12 Revenue Code, no tax credit shall be allowed for that portion of
13 costs for which a deduction was taken.

14 The basis of eligible property for depreciation or
15 accelerated cost recovery system purposes for state income taxes
16 shall be reduced by the amount of credit allowable and claimed.
17 No deduction shall be allowed for that portion of otherwise
18 deductible qualified costs for which a credit is claimed under
19 this section.

20 (d) All claims for a tax credit under this section,
21 including amended claims, shall be filed on or before the end of
22 the twelfth month following the close of the taxable year for



1 which the credit is claimed. Failure to comply with the
2 foregoing provision shall constitute a waiver of the right to
3 claim the credit.

4 Spouses who do not file a joint tax return shall only be
5 entitled to make this election to the extent that they would
6 have been entitled to make the election had they filed a joint
7 tax return.

8 (e) The director of taxation:

9 (1) Shall prepare any forms that may be necessary to claim
10 a credit under this section;

11 (2) May require the taxpayer to furnish information to
12 ascertain the validity of the claim for credit made
13 under this section; and

14 (3) May adopt rules pursuant to chapter 91 to effectuate
15 this section.

16 (f) For purposes of this section:

17 "New electric vehicle" means a vehicle, with four or more
18 wheels, that draws propulsion energy from a battery with at
19 least four kilowatt hours of energy storage capacity that can be
20 recharged from an external source of electricity, and whose use
21 commences with the taxpayer."

22 SECTION 3. New statutory material is underscored.



1 SECTION 4. This Act, upon its approval, shall apply to
2 taxable years beginning after December 31, 2014.
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INTRODUCED BY:

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JAN 17 2014



H.B. NO. 2024

Report Title:

Electric Vehicles; Income Tax Credit

Description:

Establishes an income tax credit for purchasers of new electric vehicles.

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