

**LINDA LINGLE**  
GOVERNOR

**JAMES R. AIONA, JR.**  
LT. GOVERNOR



**KURT KAWAFUCHI**  
DIRECTOR OF TAXATION

**SANDRA L. YAHIRO**  
DEPUTY DIRECTOR

STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
P.O. BOX 259  
HONOLULU, HAWAII 96809

PHONE NO: (808) 587-1510  
FAX NO: (808) 587-1560

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## **DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2007-05**

RE: Act 151, Session Laws of Hawaii 2007, Relating to Income Taxation.

On June 7, 2007, Governor Linda Lingle signed into law Senate Bill 1222 SD 3, HD 2, CD 1, as Act 151.

Act 151 amends Hawaii's Renewable Energy Technologies Income Tax Credit.

Act 151 amends Section 235-12.5, Hawaii Revised Statutes (HRS), by requiring that all systems that qualify for the credit must be installed in the State.

Act 151 also eliminates the requirement that the taxpayer claiming the credit be a resident of the State. Correspondingly, HRS § 235-129 is amended by clarifying that a shareholder of an S corporation is allowed a pro rata share of any tax credit earned by the S corporation in the State.

Act 151 takes effect on June 7, 2007 and applies to taxable years beginning after December 31, 2006.

For more information on Act 151, please contact the Rules Office at 808-587-1577.

**KURT KAWAFUCHI**  
Director of Taxation