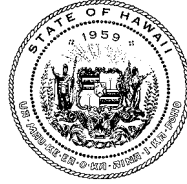


LINDA LINGLE  
GOVERNOR

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MARIE C. LADERTA  
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**August 3, 2004**

## **DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2004-04**

**RE: Act 97, Session Laws of Hawaii 2004, Relating to Renewable Energy Technologies Income Tax Credit (Act 97)**

On June 2, 2004, the Governor signed S.B. No. 3162, SD 1, HD 1, CD 1 into law as Act 97. Act 97 provides clarifications to the renewable energy technologies income tax credit that was enacted by Act 207, SLH 2003.

Section 1 of Act 97 amends the credit provisions as follows:

Clarifies that the tax credit may be claimed for every eligible renewable energy technology system that is installed and placed in service by a taxpayer during the taxable year;

Provides that the credit is available for systems installed and placed into service after June 30, 2003;

Further clarifies that in the case of a partnership, S corporation, estate or trust, the tax credit allowable is for every eligible renewable energy technology system that is installed and placed into service by that entity;

Explains that the cost upon which the tax credit is computed shall be determined at the entity level;

Sets forth that distribution and share of credit shall be determined pursuant to section 235-110.7(a), HRS;

Permits excess tax credits to be used as a credit in subsequent years, until exhausted; and

Requires that all claims for this tax credit must be filed within 12 months of the taxable year for which the credit may be claimed.

Section 2 of Act 97 amends section 241-4.6, HRS, to allow financial institutions to claim the renewable energy technologies income tax credit, section 235-12.5, HRS.

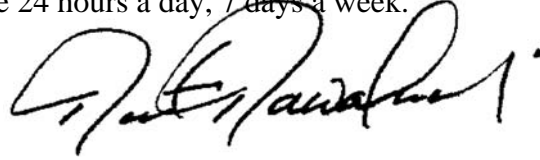
The amendments made will allow eligible taxpayers to claim the renewable energy technologies income tax credit, section 235-12.5, HRS, for taxable years beginning after December 31, 2002, for systems installed after June 30, 2003.

Department of Taxation Announcement 2004-04

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Current forms and other tax information are available at the Department's website at: [www.state.hi.us/tax](http://www.state.hi.us/tax). If you know which tax form or publication you need, please call the Department's request line at 808-587-7572, or toll-free from the neighbor islands and continental U.S. at 1-800-222-7572. This service is available 24 hours a day, 7 days a week.

A handwritten signature in black ink, appearing to read "Kurt Kawafuchi", with a stylized flourish at the end.

KURT KAWAFUCHI  
Director of Taxation

HRS Sections Explained: HRS sections 235-12.5 and 241-4.6.