



DEPARTMENT OF TAXATION

News Release

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GOVERNOR

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New Temporary Administrative Rules on Renewable Energy Technologies Tax Credit Issued

HONOLULU – To provide clarity to taxpayers and tax practitioners, the Department of Taxation is issuing new temporary administrative rules on the Renewable Energy Technologies Income Tax Credit. These temporary administrative rules apply to renewable energy technology systems installed and placed into service on or after January 1, 2013.

For more than a year, the Department has been receiving calls and complaints from taxpayers and tax practitioners about confusion over how to calculate the renewable energy tax credit. Tax guidance issued in 2010 has created uncertainty among taxpayers, an unlevel playing field within the renewable energy industry, and presented difficult tax enforcement issues for the Department.

After listening to taxpayers concerns, the Department is issuing these new temporary rules in order to provide consistent, uniform and fair application of the tax credit law, while still supporting the State's public policy goal of reducing our reliance on fossil fuel.

These new rules only apply to tax credits claimed for "other solar energy systems," including photovoltaic systems, installed and placed into service on or after January 1, 2013. These systems will now need to meet the applicable total output capacity requirements as set forth in the temporary administrative rules, unless one of the exceptions applies. Solar energy systems, which heat water, and wind energy systems will continue to follow guidance previously issued, unless there is a conflict with the new administrative rules.

A copy of the new temporary administrative rules is posted on both the Department of Taxation's and Lt. Governor's websites. Copies are also available at all DOTAX District Offices between 7:45 a.m. and 4:30 p.m., Monday through Friday, at the Department's District Offices: Director's Office at the Department of Taxation, Room 221, Princess Ruth Keelikolani Building, 830 Punchbowl Street, Honolulu, Hawaii; 3060 Eiwa Street, Lihue, Kauai; 54 High Street, Wailuku, Maui; and 75 Aupuni Street, Hilo, Hawaii.

Taxpayers with questions about the new administrative rules can call Taxpayer Services at 587-4242.

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