Tax Credits

Claimed by Hawaii Taxpayers

2011

Department of Taxation
State of Hawaii

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INTRODUCTION

This study examines tax credits that may be applied against Hawaii's net income taxes, against the tax on insurance premiums, or against the tax on public utilities. Tax credits are subtracted directly from the tax liability, so they reduce the amount of taxes dollar-for-dollar. This makes them more valuable than ordinary deductions, which merely reduce the amount of income against which tax may be applied. Tax credits may be refundable or nonrefundable. If a tax credit is nonrefundable, it can provide a tax benefit only to the extent that the taxpayer has a tax liability.[1] In contrast, the taxpayer is ensured of receiving the full amount of a refundable tax credit in the current year, because if the tax credit exceeds the tax liability, the taxpayer receives a check from the government for the difference.

The study reports tax credits claimed in tax year 2011. The tax returns examined for the study were those filed between January 1, 2012 and March 31, 2013. The tax year is the same as the calendar year for most tax payers, but for taxpayers that have a fiscal year that differs from the calendar year, their tax year 2011 is the fiscal year ending in calendar year 2011.

Hawaii's first tax credit was established in 1957 to avoid double taxation of income. Since then, numerous tax credits have been enacted. Most of them are designed to promote social welfare or to encourage certain industries or economic activities. The total number of tax credits reached a peak in tax year 2008, when 21 tax credits were active. In tax year 2011, there were 16 active tax credits.[2] There were also seven expired tax credits for which excess credits from prior years could be carried over into tax year 2011.[3]

The Department of Taxation has prepared studies on tax credits for tax years 1965, 1970, and 1977 through 2005. Owing to cutbacks in personnel caused by the Great

[1] For most tax credits, the unused credits can be carried forward to future years, so the full value of the credit usually is realized eventually.

[2] The count of active tax credits for tax year 2011 excludes the tax credit for research activities (TCRA) and the high technology business investment tax credit (HTBITC). Both tax credits expired on December 31, 2010, although credits from the HTBITC can be claimed over a period of five years on eligible investments made on or before the expiration date. Also, some companies were able to claim the TCRA in tax year 2011, even though the tax credit is refundable, because their tax year does not coincide with the calendar year. The present study does not include the tax credit from a regulated investment company or the credit for taxes withheld on the sale of Hawaii real property. These are not properly tax credits, but are deductions from income tax that account for taxes already paid, similar to the deduction for taxes that were withheld on wages.

[3] The count excludes carryovers of the renewable energy technologies tax credit for systems installed prior to July 1, 2009.

Recession, work on the studies was discontinued in 2009. The study on tax credits for tax year 2011 is the first one produced since December, 2007, when the study for tax year 2005 was published.

The studies on tax credits produced for tax years before 1986 included only tax credits claimed by individuals. The studies for tax years 1986 and later include the lifeline telephone service tax credit. The studies for tax years 1997 and later include tax credits claimed by non-financial corporations, the studies for tax years 2000 and later include tax credits claimed by financial corporations, the studies for tax year 2001 and later include insurance underwriters and fiduciaries (trusts and estates), and the studies for tax year 2003 and later include exempt organizations.

Only one measure related to tax credits was enacted in 2011: Act 158, Session Laws of Hawaii (SLH) 2011, grants low-income housing tax credit loans, which may be taken in lieu of low-income housing tax credits, and provides a tax credit for certain awards under the American Recovery and Reinvestment Act of 2009. The Act applies to buildings placed in service after December 31, 2011.

The present study examines the following active and expired tax credits:

Active Tax Credits

Tax Credits to Promote Social Welfare

- Refundable Food Excise Tax Credit (Food/Excise)
- Tax Credit for Low-Income Household Renters
- Tax Credit for Child and Dependent Care Expenses
- Tax Credit for Child Passenger Restraint Systems
- Tax Credit for Employment of Vocational Rehabilitation Referrals
- Low-Income Housing Tax Credit
- Tax Credit for School Repair and Maintenance
- Lifeline Telephone Service Tax Credit

Tax Credits to Encourage Certain Industries or Economic Activities

- Fuel Tax Credit for Commercial Fishers
- Motion Picture, Digital Media and Film Production Income Tax Credit
- Renewable Energy Technologies Tax Credit
- Enterprise Zone Tax Credit
- Ethanol Facility Tax Credit
- Important Agricultural Lands Tax Credit

Tax Credits to Avoid Double Taxation or Pyramiding of Taxes

- Capital Goods Excise Tax Credit
- Income Tax Paid to Another State or to a Foreign Country

Expired Tax Credits

Tax Credits to Promote Social Welfare

- Individual Development Account Contribution Tax Credit

Tax Credits to Encourage Certain Industries or Economic Activities

- High Technology Business Investment Tax Credit
- Tax Credit for Research Activities
- Energy Conservation Tax Credit
- Hotel Construction and Remodeling Tax Credit
- Technology Infrastructure Renovation Tax Credit
- Residential Construction and Remodeling Tax Credit

DATA SOURCE AND METHODOLOGY

The primary data source for the study is the Department of Taxation's computerized Integrated Tax Information Management System (ITIMS). Data from individual income tax returns (Forms N-11, N-13 and N-15), corporate income tax returns (Form N-30), fiduciary income tax returns (Form N-40), and exempt organization income tax returns (Form N-70NP) are extracted directly from ITIMS. The data include all tax returns filed for tax year 2011 and processed by March 31, 2013. Many tax credits require that the taxpayer complete a separate form to compute the tax credit and to provide evidence to support the amount claimed. Data from the separate tax credit forms were not available for the study. Some tax credits are reported directly on the tax return, but most of them are reported on Schedule CR, "Schedule of Tax Credits." The tax credits reported on Schedule CR are summed and only their total is reported on the income tax return. Data on the tax credits are taken from the tax returns and from Schedules CR. The data on tax credits are before any adjustments made by subsequent audits, but after automatic adjustments that the Department made when processing the tax returns.

In addition to data from ITIMS, data were also taken from image copies of paper returns of Form F-1 that were filed by banks and other financial corporations, including building and loan associations, financial services and loan companies, and small investment companies. Data on the lifeline telephone tax credit were obtained from the Public Utilities Commission. Data on tax credits claimed by insurance companies were provided by the Insurance Division of the Department Commerce and Consumer Affairs, which administers the tax on insurance premiums. Department of Taxation tax forms used for this study and their instructions are available on the Department's website at http://tax.hawaii.gov, or through the Department's Forms by Fax/Mail Service at 808-587-4242 or toll-free at 1-800-222-3229. The forms and instructions may also be obtained at any district tax office.

The data for the study come from 704,988 tax returns that were filed for tax year 2011. Table 1 shows the total number of each type of tax return examined for the study.

Table 1

Number of Tax Returns by Type of Taxpayer

Type of Taxpayer	Tax Form	Number of Returns
Individual	Form N-11	572,652
Individual	Form N-13	26,334
Individual	Form N-15	73,768
Nonfinancial Corporation	Form N-30	15,444
Financial Corporation	Form F-1	265
Insurance Underwriter*	Form 314	1,031
Fiduciary	Form N-40	15,072
Exempt Organization	Form N-70NP	422
TOTAL		704,988

* Data supplied by the Insurance Division of the Department of Commerce and Consumer Affairs.

Table 2 shows the breakdown by income class and the breakdown by taxation district for the individual income tax returns included in the study (Forms N-11, N-13 and N-15).[4] The State has four taxation districts: District 1 is the City and County of Honolulu (Oahu), District 2 consists of Maui and Kalawao Counties (Maui), District 3 is Hawaii County and District 4 is Kauai County. The table also shows the number of individual income tax returns in each of several income classes. For residents (who file Form N-11 or Form N-13), the income class is determined by the Hawaii Adjusted Gross Income (Hawaii AGI). For part-year residents and nonresidents (who file Form N-15), the income class is determined by total AGI, which is the taxpayer's global adjusted gross income as it would be defined if the taxpayer had been a Hawaii resident for the full tax year.

In conformity to Internal Revenue Service Publication 1075, the Hawaii Department of Taxation does not publish or disclose statistics or other information that may identify, directly or indirectly, a particular taxpayer. The Department of Taxation does not disclose tabulations containing: data for fewer than three returns at the state level, fewer than 10 returns at the county level, or individual returns that represent a large percentage of the tabulation. Additional tabulations may be suppressed in statistical tables that would allow the reader to infer the quantities of the tabulations which were originally suppressed.

[4] District breakdowns for tax returns from businesses often are not meaningful, because the district is determined by the taxpayer's mailing address. Many businesses with operations throughout the State are headquartered on Oahu and use an Oahu mailing address. Also, nonresident businesses with out-of-State addresses are attributed to Oahu. Therefore, district breakdowns for business tax returns are not shown.

Table 2

Total Number of Individual Income Tax Returns for Tax Year 2011 by Income Class and by Tax District

By Income Class

Hawaii AGI*	Forms N – 11	Forms N -13	Forms N - 15	All Individual Returns
less than $10,000	139,910	14,540	13,722	168,172
$10,000 < $30,000	152,970	6,978	13,908	173,856
$30,000 < $60,000	135,960	4,020	12,980	152,960
$60,000 < $100,000	80,125	778	10,295	91,198
$100,000 < $200,000	51,509	18	10,481	62,008
$200,000 or more	12,178	-	12,382	24,560
Total	572,652	26,334	73,768	672,754

By Tax District**

Tax District	Forms N – 11	Forms N -13	Forms N - 15	All Individual Returns
Oahu (District 1)	408,333	19,175	69,865	497,373
Maui (District 2)	64,655	1,976	1,626	68,257
Hawaii (District 3)	70,307	4,201	1,602	76,110
Kauai (District 4)	29,357	982	675	31,014
Total	572,652	26,334	73,768	672,754

* For Form N-15, the income is the taxpayer's global adjusted gross income as defined for Hawaii income tax purposes.

** Forms N-15 for non-residents that have an out-of-state address are allocated to Oahu.

OVERVIEW AND SUMMARY OF RESULTS

Appendix A contains tables showing details on the tax credits claimed in tax year 2011. Appendix Table A-1 shows the amount of each tax credit claimed by each type of taxpayer (individuals, corporations, financial corporations, insurance underwriters, fiduciaries and exempt organizations). The results are summarized in Table 3, which shows the distribution of the tax credits claimed by type of tax credit, and in Figure 1, which shows the distribution of tax credits claimed by type of taxpayer.

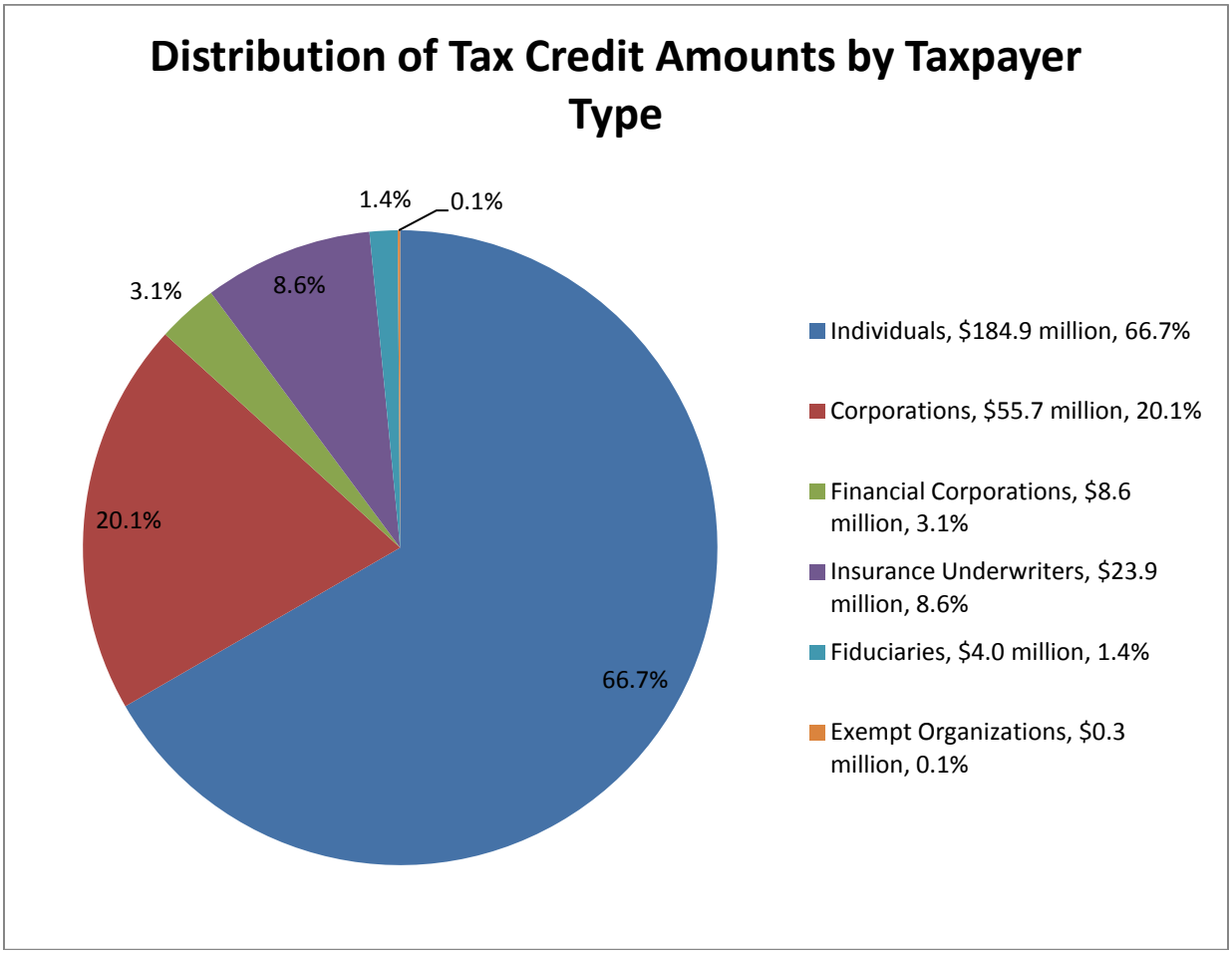
As shown in Table 3, the largest tax credit by dollar value was the renewable energy technologies tax credit, which amounted to $78.5 million, or 28.3% of the total tax credits claimed in tax year 2011. The second largest tax credit was the high technology business investment tax credit, which amounted to $69.4 million, or 25.0% of the total.

Table 3
Distribution of Tax Credits in Tax Year 2011

	Amount (in $1,000)	% of Total
Total, All Tax Credits	277,401	100.00%
Active Tax Credits		
Tax Credits to Promote Social Welfare		
Refundable Food Excise Tax Credit (Food/Excise)	28,787	10.38%
Tax Credit for Low-Income Household Renters	4,879	1.76%
Tax Credit for Child and Dependent Care Expenses	9,552	3.44%
Tax Credit for Child Passenger Restraint Systems	80	0.03%
Tax Credit for Employment of Vocational Rehabilitation Referrals	45	0.02%
Low-Income Housing Tax Credit	6,747	2.43%
Tax Credit for School Repair and Maintenance	*d*	*d*
Lifeline Telephone Service Tax Credit	69	0.02%
Tax Credits to Encourage Certain Industries or Economic Activities		
Fuel Tax Credit for Commercial Fishers	122	0.04%
Motion Picture, Digital Media and Film Production Income Tax Credit	25,686	9.26%
Renewable Energy Technologies Tax Credit	78,505	28.30%
Enterprise Zone Tax Credit	878	0.32%
Ethanol Facility Tax Credit	105	0.04%
Important Agricultural Lands Tax Credit	21	0.01%
Tax Credits to Avoid Double Taxation or Pyramiding of Taxes		
Capital Goods Excise Tax Credit	22,193	8.00%
Income Tax Paid to Another State or to a Foreign Country	28,584	10.30%
Expired Tax Credits		
Tax Credits to Promote Social Welfare		
Individual Development Account Contribution Tax Credit	*d*	*d*
Tax Credits to Encourage Certain Industries or Economic Activities		
High Technology Business Investment Tax Credit	69,378	25.01%
Tax Credit for Research Activities	1,073	0.39%
Energy Conservation Tax Credit	280	0.10%
Hotel Construction and Remodeling Tax Credit	322	0.12%
Technology Infrastructure Renovation Tax Credit	21	0.01%
Residential Construction and Remodeling Tax Credit	72	0.03%

Notes: “d” denotes that the data suppressed to avoid potential disclosure of confidential taxpayer information. Details may not add to totals due to rounding.

Figure 1 shows the breakdown by type of taxpayer for tax credits claimed in tax year 2011. The largest dollar value of tax credits was claimed against individual income tax liabilities. Such claims amounted to $184.9 million, or two-thirds of the total claims for tax credits. Claims against income tax liabilities of nonfinancial corporations were the second largest category, amounting to $55.7 million, or one fifth of the total claims for tax credits.



Appendix Table A-2 shows details on the number of tax returns with claims for each type of tax credit. The tax credits most frequently claimed were the refundable food excise tax credit (claimed on 327,424 individual income tax returns, or 48.7% of these returns), the tax credit for low-income household renters (claimed on 47,444 individual

income tax returns, or 7.1% of these returns) and the tax credit for child and dependent care expenses (claimed on 27,121 individual income tax returns, or 4.0% of these returns).

Appendix Table A-3 shows the dollar amounts of the claims for each tax credit made by individuals, broken down by tax district. Of the $184.9 million in tax credits claimed by individuals for tax year 2011, $137.6 million (74.4%) was claimed by individuals in District 1 (Oahu),[5] $21.6 million (11.7%) was claimed by individuals in District 2 (Maui), $18.8 million (10.1%) was claimed by individuals in District 3 (Hawaii), and $6.9 million (3.7%) was claimed by individuals in District 4 (Kauai). Appendix Table A-4 shows the number of individual income tax returns with claims for each tax credit by tax district.

Appendix Tables A-5 and A-6 show the dollar amounts and number of claims for each tax credit made by individuals, broken down by income class as determined by annual Hawaii AGI.[6] Individual returns with Hawaii AGI less than $10,000 claimed a total of $26 million in tax credits for tax year 2011, which was over three times as great as their aggregate tax liability before tax credits of $7.1 million. The largest tax credits claimed by this income group were the refundable food/excise tax credit ($11.2 million) and the renewable energy technologies tax credit ($11.9 million). Taxpayers with annual Hawaii AGI of more than $200,000 accounted for the largest dollar value of tax credits ($84.3 million) and also for the largest aggregate tax liability before tax credits. The largest tax credits claimed by this group were the renewable energy technologies tax credit ($20.9 million), the tax credit for taxes paid to another state or to a foreign country ($23.1 million) and the high technology business investment tax credit ($36.0 million).

Appendix B provides a history of Hawaii's tax credits. Appendix Table B-1 provides a chart showing the tax credits in existence in each year since 1965. Appendix Table B-2 provides an outline showing the historic development of the tax credits and the year in which each tax credit was enacted.

DESRIPTIONS AND ANALYSES OF THE TAX CREDITS

This section describes the tax credits available for tax year 2011, including expired tax credits for which unused credits could be carried forward and applied against tax liability in 2011.

[5] The total for Oahu includes tax credits claimed on Form N-15 by nonresidents who had an out-of-state address.

[6] The Hawaii AGI of part-year residents and nonresidents who filed Form N-15 is measured as their total AGI, which includes income not subject to Hawaii income tax, but which is the global income of the taxpayer measured in the same way that global income of residents is measured.

Active Tax Credits

Tax Credits to Promote Social Welfare

Refundable Food/Excise Tax Credit (HRS §235-55.85)

The refundable food/excise tax credit was introduced for tax year 2008 by Act 211, Session Laws Hawaii (SLH) 2007, to replace the low-income refundable tax credit. To claim the tax credit, the taxpayer must be a Hawaii resident with federal adjusted gross income (adjusted gross income as defined by the Internal Revenue Code) of less than $50,000 who is not claimed or eligible to be claimed as a dependent by another taxpayer. The tax credit is computed by multiplying an allowable tax credit amount by the number of qualified exemptions. The qualified exemptions are personal exemptions permitted under Hawaii law, excluding the additional exemptions for being age 65 or older or for having a disability. Persons for whom the tax credit is claimed must have physically resided in Hawaii for more than nine months of the taxable year and they must not have been in jail, in prison or in a youth correctional facility for the entire year. Married persons filing separate tax returns can claim only the tax credit to which they would have been entitled had they filed a joint return. Minor children who cannot be claimed as dependents because they receive more than half their support from public agencies, (such as the State Department of Human Services) are eligible for the tax credit, which may be claimed on tax returns filed by their parents or guardians. The allowable tax credit amounts are based on the taxpayer's income, as shown below:

Federal Adjusted Gross Income	Tax Credit per Qualified Exemption
Under $5,000	$85
$5,000 under $10,000	$75
$10,000 under $15,000	$65
$15,000 under $20,000	$55
$20,000 under $30,000	$45
$30,000 under $40,000	$35
$40,000 under $50,000	$25
$50,000 and over	0

The refundable food/excise tax credit was the most commonly claimed tax credit in tax year 2011. The tax credit appeared on 327,424 individual income tax returns, or almost half of the total number of such returns filed for tax year 2011 (672,754 returns). Claims for the tax credit totaled $28.8 million.

Tax Credit for Low-Income Household Renters (HRS §235-55.7)

Taxpayers who rented residential real property during the taxable year may qualify for the tax credit for low-income household renters, which is refundable. To claim the tax credit, the taxpayer must be a Hawaii resident with Hawaii AGI of less than $30,000 who is not claimed or eligible to be claimed as a dependent by another taxpayer and who paid more than $1,000 in annual rent for real property in Hawaii that was the taxpayer's residence or the residence of the taxpayer's immediate family and that was not wholly or partially exempt from the real property tax. Married persons filing separate tax returns must combine their Hawaii AGI to determine their eligibility for the tax credit. If a rental unit is shared with another person, the individual's portion of rent is used to determine eligibility.

The tax credit is computed by multiplying $50 by the number of personal exemptions permitted under Hawaii law, including the additional exemption for being age 65 or older. The persons for whom the tax credit is claimed must have physically resided in Hawaii for more than nine months of the taxable year.

The $30,000 income limitation has not been changed since 1989, when it was raised from $20,000. The amount of the tax credit per exemption was raised from $20 to $50 in 1981, but has remained unchanged since then, despite substantial rises in the cost of housing.

The renter's tax credit was claimed on 47,444 individual income tax returns for tax year 2011. Claims for the tax credit totaled $4.9 million. It was the second most commonly claimed tax credit.

Tax Credit for Child and Dependent Care Expenses (HRS §235-55.6)

A resident taxpayer who is gainfully employed and who pays for the care of a child under 13 years of age or for a spouse or dependent incapable of self care qualifies for the child and dependent care tax credit. The tax credit can be taken for care expenses up to $2,400 for one qualified individual and up to $4,800 for two or more qualified individuals. Allowable expenses may not exceed the taxpayer’s earned income. For joint tax returns, the amount may not exceed the income of the spouse with the lower earned income.

The tax credit is refundable and the amount ranges from 15% to 25% of qualified care expenses, with the rate declining as AGI increases. The tax credit schedule for tax year 2011 is shown below.

Hawaii Adjusted Gross Income	Percent of Allowable Expenses
Up to $22,000	25
$22,001 - $24,000	24
$24,001 - $26,000	23
$26,001 - $28,000	22
$28,001 - $30,000	21
$30,001 - $32,000	20
$32,001 - $34,000	19
$34,001 - $36,000	18
$36,001 - $38,000	17
$38,001 - $40,000	16
$40,001 and over	15

For tax year 2011, the dependent care tax credit was reported on 27,121 individual income tax returns and claims for the tax credit totaled $9.6 million. It was the third most commonly claimed tax credit.

Tax Credit for Child Passenger Restraint Systems (HRS §235-15)

An individual taxpayer who buys a new child passenger restraint system that complies with the federal motor vehicle safety standards in effect at the time of purchase may claim a tax credit of $25 for the tax year, regardless of the cost of the restraint system or the number of restraint systems bought during the year. The tax credit, which is refundable, was enacted in 1982 to encourage people to buy child restraint systems, but the systems became mandatory in the following year. For tax year 2011, the tax credit was claimed on 3,219 individual income tax returns and the total amount claimed was $80,296.

Tax Credit for Employment of Vocational Rehabilitation Referrals (HRS §235-55.91)

A taxpayer who employs an individual who is certified by the Vocational Rehabilitation and Services for the Blind Division of the Department of Human Services, (in consultation with the Hawaii State Employment Service of the Department of Labor and Industrial Relations), as having a physical or mental disability that results in a substantial handicap to employment, or who has been referred upon completion of certain rehabilitation plans, may qualify for a tax credit. The tax credit is equal to 20% of the qualifying first-year wages for the taxable year, up to $6,000, and is nonrefundable. The tax credit was claimed on 7 income tax returns for tax year 2011 and the total amount claimed was $44,823.

Low-Income Housing Tax Credit (HRS §235-110.8, §241-4.7, §431:7-208)

Owners of residential buildings who provide low-income housing may claim the low-income housing tax credit. The tax credit is refundable and is equal to a percentage of the applicable federal low-income housing tax credit under section 42 of the Internal Revenue Code. The percentage is 30% for buildings placed in service prior to July 1, 2005, and 50% for buildings placed in service after June 30, 2005. Act 158, SLH 2011 allows the taxpayer to elect to receive a low-income housing loan in lieu of the tax credit after July 1, 2011. The tax credit was claimed on 61 tax returns for tax year 2011 and the total amount claimed was $6.7 million.

Tax Credit for School Repair and Maintenance (HRS §235-110.2)

Act 309, SLH 2001, allows licensed contractors to claim a 10% nonrefundable tax credit, up to $4,000, on the fair-market value of repair and maintenance services provided at no cost to public schools. Data on the tax credit were suppressed to prevent potential disclosure of confidential taxpayer information.

Lifeline Telephone Service Tax Credit (HRS §239-6.5)

Lifeline telephone service is available to elderly and disabled residential telephone subscribers who have an annual income less than $10,000. The Public Utilities Commission determines and certifies the lifeline service costs. The telephone public utility may claim a nonrefundable tax credit equal to the sum of foregone revenues and the administrative costs of providing the telephone service to the eligible individuals.

The total tax credit claimed by the public utility for tax year 2011 was $68,982. The tax credit was claimed on behalf of 2,765 subscribers as of the end of calendar year 2011.

Tax Credits to Encourage Certain Industries or Economic Activities

Fuel Tax Credit for Commercial Fishers (HRS §235-110.6)

The principal operator of a commercial fishing vessel may claim a refundable tax credit for certain fuel taxes paid during the taxable year. The amount of the tax credit is equal to the fuel taxes imposed under section 243-4(a), HRS. The tax credit was claimed on 142 tax returns for tax year 2011 and the total amount claimed was $121,946.

Motion Picture, Digital Media, and Film Production Income Tax Credit (HRS §235-17)

In tax year 2011, taxpayers could claim a refundable tax credit equal to 15% of qualified production costs incurred in a county in Hawaii with a population over 700 thousand and 20% for qualified production costs incurred in a county in Hawaii with a population of

700 thousand or less. The total tax credits allowed for a single qualified production was capped at $8 million. The tax credit was claimed on 128 tax returns for tax year 2011 and the total amount claimed was $25.7 million.

Renewable Energy Technologies Tax Credit (HRS §235-12.5, §241-4.6)

Taxpayers who installed a renewable energy technology system (solar thermal energy system, wind powered energy system, or photovoltaic energy system) and placed it in service after June 30, 2003, may claim the renewable energy technologies tax credit. The tax credit applies to the actual cost of the system, including the accessories and installation, but not to the cost of consumer incentive premiums that are unrelated to the operation of the system.

For systems installed and placed in service after July 1, 2006, the tax credit was 35% of the cost for solar thermal systems and photovoltaic systems, and 20% of the cost for wind powered systems. For single-family residential properties, the amount of the tax credit was capped at $2,250 for solar thermal systems, $5,000 for photovoltaic systems, and $1,500 for wind powered systems. For commercial properties, the tax credit was capped at $500,000 for wind powered systems and for photovoltaic systems, and at $250,000 for solar thermal systems. For multifamily residential properties, the tax credit per residential unit was capped at $350 for solar thermal systems and photovoltaic systems, and at $200 for wind powered systems. Act 154, SLH 2009 made the tax credit refundable for certain low income taxpayers and gave other taxpayers the option to claim the tax credit as refundable by accepting a 30% reduction in the amount of the tax credit. The Act was effective for systems installed and placed in service on or after July 1, 2009.

Table 4 shows the number of returns and the amount of the tax credit claimed by type of system, by type of taxpayer, and by whether the claim was for a refundable or nonrefundable tax credit. Because unused tax credits can be carried over, and because extensions of existing systems made in later years are also eligible for the tax credit, the number of returns claiming the credit in a year may be larger than the number of new systems installed that year.

The tax credit for systems installed and placed in service on or after July 1, 2009 was claimed on 11,420 returns for tax year 2011 and carryovers of the tax credit for systems installed and placed in service before July 1, 2009 was claimed on 745 tax returns for tax year 2011. Claims for all systems totaled $78.5 million for tax year 2011. The tax credit was the biggest in terms of the amount claimed in tax year 2011.

TABLE 4

Claims for the Renewable Energy Technologies Income Tax Credit in Tax Year 2011

Carry over of the tax credit for systems installed and placed in service before July 1, 2009

	Number of returns 1/			Credit amount (in dollars)		
	All	Individuals	Corporations and others 2/	All	Individuals	Corporations and others 2/
	745	719	26	$2,709,840	$1,172,562	$1,537,278

Refundable tax credits for systems installed and placed in service on or after July 1, 2009

	Number of returns 1/			Credit amount (in dollars)		
	All	Individuals	Corporations and others	All	Individuals	Corporations and others 2/
Solar only	2,999	2,975	24	$28,521,487	$22,768,915	$5,752,572
Wind only	37	37	0	129,419	129,419	0
Solar& wind	19	19	0	92,181	92,181	0
Unknown	157	151	6	3,788,148	3,687,821	100,327
Total 3/	3,212	3,182	30	$32,531,235	$26,678,336	$5,852,899

Nonrefundable tax credits for systems installed and placed in service on or after July 1, 2009

	Number of returns 1/			Credit amount (in dollars)		
	All	Individuals	Corporations and others 2/	All	Individuals	Corporations and others 2/
Solar only	7,125	7,088	37	$38,574,335	$36,395,393	$2,178,942
Wind only	22	22	0	61,954	61,954	0
Solar& wind	53	53	0	222,318	222,318	0
Unknown	1,008	1,005	3	4,405,254	3,649,249	756,005
Total 3/	8,208	8,168	40	$43,263,861	$40,328,914	$2,934,947

1/ Number of tax returns with a claim for at least one tax credit in tax year 2011, including carryovers of tax credits claimed in a prior year.

2/ Includes nonfinancial corporations, fiduciaries, nonprofit organizations and financial corporations.

Enterprise Zone Tax Credit (HRS §209E-10, §209E-11)

A qualified business located in a designated enterprise zone may claim a tax credit equal to a percentage of its net income tax liability and of the unemployment insurance premiums it paid for employees that are located in the enterprise zone. In the first year, the tax credit is 80% of the qualified amounts. The percentage decreases by 10 points

each year, until it reaches 20% in the seventh year, after which the business is no longer eligible for the credit. The tax credit is nonrefundable and any unused tax credit may not be carried forward. The tax credit was claimed on 198 tax returns for tax year 2011 and the amounts claimed totaled $878,388.

Ethanol Facility Tax Credit (HRS §235-110.3)

The ethanol facility tax credit is meant to encourage construction of large-capacity ethanol production facilities. The amount of the tax credit is equal to 30% of the ethanol production facility's nameplate capacity if that capacity is greater than 500,000 but less than 15 million gallons. The nameplate capacity is the annual production capacity of a facility, measured in gallons, based on an operating year of 350 days. The tax credit is refundable and is limited to 100% of the investments made by the taxpayer in the ethanol production facility. The facility must also meet certain production requirements. Taxpayers who claim the tax credit are prohibited from claiming or receiving any other tax credit for the same taxable year. The total amount of ethanol facility tax credits is capped at $12 million per year. The tax credit was effective for taxable years beginning after December 31, 2003. The tax credit was claimed on 8 tax returns for tax year 2011 and the amounts claimed totaled $104,959.

Important Agricultural Land Tax Credit (HRS §235-110.93)

The important agricultural land tax credit is awarded for qualified agricultural costs incurred after July 1, 2008. In the first year, the tax credit is 25% of the qualified agricultural costs, up to a maximum amount of $635,000 per taxpayer. In the second year, the tax credit is 15% of the qualified costs, up to a maximum of $250,000, and in the third year the tax credit is 10% of the qualified costs, up to a maximum amount of $125,000. More than 50% of the land used by the agricultural business must be deemed “important agricultural land.” Tax credits must be certified by the Department of Agriculture and the aggregate amount of credits claimed cannot exceed $7,500,000 in any tax year. The tax credit was claimed on 6 tax returns for tax year 2011 and the amounts claimed totaled $20,653.

Tax Credits to Avoid Double Taxation or Pyramiding of Hawaii Taxes

Capital Goods Excise Tax Credit (HRS §235-110.7, §241-4.5)

Businesses may claim the capital goods excise tax credit for the purchase of eligible depreciable tangible personal property used in a trade or business in Hawaii. The tax credit is refundable and is equal to 4% of the qualifying cost of the eligible property, which excludes costs deducted under Internal Revenue Code Section 179. The tax credit serves to reduce pyramiding of the General Excise Tax (GET) by rebating the

GET on business-to-business purchases that consist of eligible capital equipment. The cost of such capital equipment ultimately must be recaptured in the price of goods or services it is used to help produce, so without the rebate, the price of the produced goods or services would include the tax on the capital equipment.

The tax credit was claimed on 3,429 tax returns for tax year 2011 and the amounts claimed totaled $22.2 million.

Income Tax Paid to Another State or Foreign Country (HRS §235-55)

A Hawaii resident individual or other person may claim a credit for income taxes paid to another state or to a foreign country if the income was earned in the other state or country and is not exempt from Hawaii or federal income tax, and certain other requirements are met. The tax credit was claimed on 6,757 tax returns for tax year 2011 and the amounts claimed totaled $28.6 million.

Expired Tax Credits

Tax Credits to Promote Social Welfare

Individual Development Account Contribution Tax Credit (HRS §235-5.6)

The individual development account (IDA) program was intended to encourage people with low income to save towards specific long-term goals, including obtaining a postsecondary education, buying a first home, and starting a small business. Program participants enrolled with a fiduciary organization, which provided matching funds for their deposits. A nonrefundable tax credit was allowed for persons donating money to the fiduciary organization for use as matching funds. The tax credit was equal to 50% of the amount donated. Donations qualifying for the tax credit could not be claimed as a deduction for charitable contributions. The tax credit was effective for taxable years 2000 to 2004 with an aggregate limit of $1 million.

To preserve taxpayer confidentiality, the number and dollar amount of IDA tax credits claimed for tax year 2011 are not disclosed.

Tax Credits to Encourage Certain Industries or Economic Activities

High Technology Business Investment Tax Credit (HRS §235-110.9, §241-4.8, §431:7-209)

Taxpayers were allowed to claim the high technology business investment tax credit for tax years beginning after December 31, 1998. As originally enacted, the tax credit was nonrefundable and equal to 10% of investments made on or after July 1, 1999 in a

qualified high technology business, up to a maximum credit amount of $500,000. Act 221, SLH 2001, expanded the tax credit to 100% of the qualified investment, up to a maximum of $2 million per investment. The tax credit is claimed over five years as follows:

	Tax Credit Percentage	Tax Credit Limitation
Year of investment	35%	$700,000
Year 2	25%	$500,000
Year 3	20%	$400,000
Year 4	10%	$200,000
Year 5	10%	$200,000

Taxpayers who had previously claimed the 10% investment tax credit for tax years 1999 or 2000 were able to claim the tax credit for tax years 2001 and later as applicable under the amended law. For investments made after May 1, 2009, and for taxable years beginning on or after January 1, 2009 and ending before January 1, 2011, no claim for the tax credit could exceed 80% of the taxpayer's tax liability.

The tax credit expired for taxable years beginning after December 31, 2010, but claims for the tax credit can be made for four years after the year of the investment and carry-overs of the tax credit can continue indefinitely. The tax credit was claimed on 2,182 tax returns for tax year 2011 and the amounts claimed totaled $69.4 million. The tax credit was the second biggest in terms of the amount claimed in tax year 2011.

Tax Credit for Research Activities (HRS §235-110.91)[7]

A qualified high technology business may claim a refundable tax credit equal to 20% of qualified research expenditures conducted in Hawaii. Originally modeled after the federal research credit for increasing research expenditures, Act 221, SLH 2001, modified the credit to the form it had for tax year 2011. The Act expired for taxable years beginning after December 31, 2010. The tax credit was claimed on 39 tax returns for tax year 2011 and the amounts claimed totaled $1,072,798.

Energy Conservation Tax Credit (HRS §235-12)

Taxpayers who installed an energy conservation device prior to July 1, 2003, could claim the energy conservation tax credit, which was nonrefundable. The tax credit

[7] The Research Activities Tax Credit was allowed to expire for costs incurred after December 31, 2010. However, a new version of the tax credit was enacted in 2013 (Act 270, SLH 2013).

applied only to the actual cost of the systems, including accessories and installation, but not the cost of repairs to existing systems.

The tax credit was equal to 35% of the cost of solar systems, 20% of the cost of wind energy systems and heat pumps, and 50% of the cost of ice storage systems. The eligible cost was reduced by any consumer incentive premiums offered with the system. For single-family residential buildings, the tax credit was limited to $1,750 for solar systems and $400 for heat pumps. For multiunit residential buildings, the tax credit was limited to $350 per unit for solar systems and $200 per unit for heat pumps. There were no limits for hotels, for commercial buildings, for industrial facilities, for wind energy systems, or for ice storage systems. The tax credit expired on June 30, 2003, but unused tax credits may be carried over to subsequent years until exhausted. The tax credit was claimed on 192 tax returns for tax year 2011 and the amounts claimed totaled $280,147.

Hotel Construction and Remodeling Tax Credit (HRS §235-110.4, repealed)

The hotel construction and remodeling tax credit was repealed by Act 9, SLH 2007, but unused credits from claims made prior to the expiration date may be carried forward and applied against tax. Although the tax credit was not repealed until 2007, it was not available for costs incurred in taxable years beginning after December 31, 2005. The tax credit was claimed on 6 tax returns for tax year 2011 and the amounts claimed totaled $321,834.

Technology Infrastructure Renovation Tax Credit (HRS §235-110.51)

The technology infrastructure renovation tax credit was nonrefundable and was equal to 4% of costs incurred after December 31, 2000 for planning, designing, installing, constructing, or purchasing equipment to provide a commercial building with technology infrastructure. The tax credit is not available for taxable years beginning after December 31, 2010, but amounts claimed for the tax credit prior to its expiration can be carried forward and applied against tax liability in later years until exhausted. For costs incurred after May 1, 2009, and for taxable years beginning on or after January 1, 2009 and ending before January 1, 2011, no claim for the tax credit could exceed 80% of the taxpayer's tax liability. The tax credit was claimed on 5 tax returns for tax year 2011 and the amounts claimed totaled $21,397.

Residential Construction and Remodeling Tax Credit (HRS §235-110.45)

Act 10, SLH 2001, Third Special Session, provided a nonrefundable tax credit equal to 4% of home construction or renovation costs incurred after December 31, 2000, up to a maximum of $250,000. The tax credit expired on June 30, 2003, but any unused tax

credit may be carried over to subsequent years until exhausted. The tax credit was claimed on 62 tax returns for tax year 2011 and the amounts claimed totaled $72,417.

APPENDIX A

STATISTICAL TABLES

Table A-1
DOLLAR AMOUNTS OF TAX CREDITS CLAIMED
BY TYPE OF CREDIT AND TYPE OF TAXPAYER - 2011

Type of Credit	TAXPAYER TYPE						
	ALL	Individuals	Corporations	Financial Corporations	Insurance Underwriters	Fiduciaries	Exempt Organizations
Active Tax Credits							
Tax Credits to Promote Social Welfare							
Refundable Food Excise Tax Credit (Food/Excise)	$28,786,995	$28,786,995	-	-	-	-	-
Tax Credit for Low-Income Household Renters	4,878,820	4,878,820	-	-	-	-	-
Tax Credit for Child and Dependent Care Expenses	9,551,513	9,551,513	-	-	-	-	-
Tax Credit for Child Passenger Restraint Systems	80,296	80,296	-	-	-	-	-
Tax Credit for Employment of Vocational Rehabilitation Referrals	44,823	29,339	*d*	-	-	*d*	-
Low-Income Housing Tax Credit	6,747,419	37,459	*d*	*d*	2,252,994	-	-
Tax Credit for School Repair and Maintenance	*d*	*d*	*d*	-	-	-	-
Lifeline Telephone Service Tax Credit	68,982	*na*	*na*	-	-	-	-
Tax Credits to Encourage Certain Industries or Economic Activities							
Fuel Tax Credit for Commercial Fishers	121,946	82,518	*d*	-	-	*d*	-
Motion Picture, Digital Media and Film Production Income Tax Credit	25,685,985	660,303	25,025,605	-	-	*d*	*d*
Renewable Energy Technologies Tax Credit	78,504,936	68,179,812	8,549,585	*d*	-	544,298	*d*
Enterprise Zone Tax Credit	878,388	802,569	73,022	-	-	*d*	*d*
Ethanol Facility Tax Credit	104,959	*d*	*d*	-	-	*d*	-
Important Agricultural Lands Tax Credit	20,653	20,653	-	-	-	-	-
Tax Credits to Avoid Double Taxation or Pyramiding of Taxes							
Capital Goods Excise Tax Credit	22,193,064	4,019,692	16,329,933	1,541,233	-	109,002	193,204
Income Tax Paid to Another State or to a Foreign Country	28,584,010	27,784,411	-	-	-	799,599	-
Expired Tax Credits							
Tax Credits to Promote Social Welfare							
Individual Development Account Contribution Tax Credit	*d*	*d*	-	-	-	-	-
Tax Credits to Encourage Certain Industries or Economic Activities							
High Technology Business Investment Tax Credit	69,378,464	39,521,068	3,782,964	1,811,801	21,661,489	2,462,962	138,180
Tax Credit for Research Activities	1,072,798	*141,860*	*d*	-	-	*d*	-
Energy Conservation Tax Credit	280,147	254,620	*d*	-	-	*d*	-
Hotel Construction and Remodeling Tax Credit	321,834	*d*	*d*	-	-	-	-
Technology Infrastructure Renovation Tax Credit	21,397	*d*	*d*	-	-	*d*	-
Residential Construction and Remodeling Tax Credit	72,417	72,417	-	-	-	-	-
GRAND TOTAL	$277,401,049	$184,921,494	$55,666,032	$8,612,696	$23,914,483	$3,953,320	$333,024

Notes: "*d*" denotes that data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information. "*na*" denotes "not applicable."

Table A-2
NUMBER OF RETURNS CLAIMING TAX CREDITS
BY TYPE OF CREDIT AND TYPE OF TAXPAYER - 2011

Type of Credit	TAXPAYER TYPE						
	ALL	Individuals	Corporations	Financial Corporations	Insurance Underwriters	Fiduciaries	Exempt Organizations
Active Tax Credits							
Tax Credits to Promote Social Welfare							
Refundable Food Excise Tax Credit (Food/Excise)	327,424	327,424	-	-	-	-	-
Tax Credit for Low-Income Household Renters	47,444	47,444	-	-	-	-	-
Tax Credit for Child and Dependent Care Expenses	27,121	27,121	-	-	-	-	-
Tax Credit for Child Passenger Restraint Systems	3,219	3,219	-	-	-	-	-
Tax Credit for Employment of Vocational Rehabilitation Referrals	7	4	*d*	-	-	*d*	-
Low-Income Housing Tax Credit	61	47	*d*	*d*	7	-	-
Tax Credit for School Repair and Maintenance	*d*	*d*	*d*	-	-	-	-
Lifeline Telephone Service Tax Credit	*na*	*na*	*na*	-	-	-	-
Tax Credits to Encourage Certain Industries or Economic Activities							
Fuel Tax Credit for Commercial Fishers	142	135	*d*	-	-	*d*	-
Motion Picture, Digital Media and Film Production Income Tax Credit	128	106	19	-	-	*d*	*d*
Renewable Energy Technologies Tax Credit	12,165	12,069	*d*	*d*	-	39	*d*
Enterprise Zone Tax Credit	198	182	12	-	-	*d*	*d*
Ethanol Facility Tax Credit	8	*d*	*d*	-	-	*d*	-
Important Agricultural Lands Tax Credit	6	6	-	-	-	-	-
Tax Credits to Avoid Double Taxation or Pyramiding of Taxes							
Capital Goods Excise Tax Credit	3,429	2,449	874	11	-	88	7
Income Tax Paid to Another State or to a Foreign Country	6,757	6,595	-	-	-	162	-
Expired Tax Credits							
Tax Credits to Promote Social Welfare							
Individual Development Account Contribution Tax Credit	*d*	*d*	-	-	-	-	-
Tax Credits to Encourage Certain Industries or Economic Activities							
High Technology Business Investment Tax Credit	2,182	2,031	50	3	39	55	4
Tax Credit for Research Activities	39	24	*d*	-	-	*d*	-
Energy Conservation Tax Credit	192	187	*d*	-	-	*d*	-
Hotel Construction and Remodeling Tax Credit	6	*d*	*d*	-	-	-	-
Technology Infrastructure Renovation Tax Credit	5	*d*	*d*	-	-	d	-
Residential Construction and Remodeling Tax Credit	62	62	-	-	-	-	-

Notes: "*d*" denotes the data were suppressed to preent potential disclosure of confidential taxpayer information. "*na*" denotes "not applicable."

Table A-3
DOLLAR AMOUNTS OF TAX CREDITS CLAIMED BY INDIVIDUALS
BY TAX DISTRICT - 2011

Type of Credit	STATE TOTAL	TAX DISTRICT DISTRICT 1 (Oahu)	DISTRICT 2 (Maui)	DISTRICT 3 (Hawaii)	DISTRICT 4 (Kauai)
Active Tax Credits					
Tax Credits to Promote Social Welfare					
Refundable Food Excise Tax Credit (Food/Excise)	$28,786,995	$19,212,953	$3,452,695	$4,583,927	$1,537,420
Tax Credit for Low-Income Household Renters	4,878,820	3,539,420	507,420	628,050	203,930
Tax Credit for Child and Dependent Care Expenses	9,551,513	7,237,344	909,583	970,750	433,836
Tax Credit for Child Passenger Restraint Systems	80,296	54,780	13,439	8,651	3,426
Tax Credit for Employment of Vocational Rehabilitation Referrals	29,339	*d*	*d*	*d*	*d*
Low-Income Housing Tax Credit	37,459	31,786	*d*	*d*	*d*
Tax Credit for School Repair and Maintenance	*d*	*d*	-	-	-
Lifeline Telephone Service Tax Credit	*na*	-	-	-	-
Tax Credits to Encourage Certain Industries or Economic Activities					
Fuel Tax Credit for Commercial Fishers	82,518	38,715	3,844	34,020	5,939
Motion Picture, Digital Media and Film Production Income Tax Credit	660,303	631,935	*d*	2,206	6,532
Renewable Energy Technologies Tax Credit	68,179,812	52,554,941	7,820,164	*d*	*d*
Enterprise Zone Tax Credit	802,569	591,754	*d*	31,744	*d*
Ethanol Facility Tax Credit	*d*	*d*	-	-	-
Important Agricultural Lands Tax Credit	20,653	*d*	-	*d*	-
Tax Credits to Avoid Double Taxation or Pyramiding of Taxes					
Capital Goods Excise Tax Credit	4,019,692	3,180,219	420,911	244,449	174,113
Income Tax Paid to Another State or to a Foreign Country	27,784,411	17,188,721	4,580,838	4,347,093	1,667,759
Expired Tax Credits					
Tax Credits to Promote Social Welfare					
Individual Development Account Contribution Tax Credit	*d*	-	-	*d*	-
Tax Credits to Encourage Certain Industries or Economic Activities					
High Technology Business Investment Tax Credit	39,521,068	32,951,604	3,637,413	1,734,363	1,197,688
Tax Credit for Research Activities	141,860	136,045	*d*	*d*	-
Energy Conservation Tax Credit	254,620	174,943	46,492	25,850	7,335
Hotel Construction and Remodeling Tax Credit	*d*	*d*	*d*	-	-
Technology Infrastructure Renovation Tax Credit	*d*	*d*	-	*d*	-
Residential Construction and Remodeling Tax Credit	72,417	38,770	*d*	9,228	*d*
GRAND TOTAL	$184,921,494	$137,624,195	$21,602,808	$18,774,723	$6,919,768

Notes: "d" denotes the data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information. "na" denotes "not applicable."

Table A-4
NUMBER OF INDIVIDUAL INCOME TAX RETURNS WITH CLAIMS FOR TAX CREDITS
BY TYPE OF CREDIT AND TAX DISTRICT - 2011

Type of Credit	STATE TOTAL	TAX DISTRICT DISTRICT 1 (Oahu)	DISTRICT 2 (Maui)	DISTRICT 3 (Hawaii)	DISTRICT 4 (Kauai)
Active Tax Credits					
Tax Credits to Promote Social Welfare					
Refundable Food Excise Tax Credit (Food/Excise)	327,424	224,158	39,247	46,236	17,783
Tax Credit for Low-Income Household Renters	47,444	34,941	5,018	5,461	2,024
Tax Credit for Child and Dependent Care Expenses	27,121	20,472	2,593	2,801	1,255
Tax Credit for Child Passenger Restraint Systems	3,219	2,196	538	347	138
Tax Credit for Employment of Vocational Rehabilitation Referrals	4	*d*	*d*	*d*	*d*
Low-Income Housing Tax Credit	47	31	*d*	*d*	*d*
Tax Credit for School Repair and Maintenance	*d*	*d*	-	-	-
Lifeline Telephone Service Tax Credit	*na*	-	-	-	-
Tax Credits to Encourage Certain Industries or Economic Activities					
Fuel Tax Credit for Commercial Fishers	135	44	13	63	15
Motion Picture, Digital Media and Film Production Income Tax Credit	106	89	*d*	*d*	*d*
Renewable Energy Technologies Tax Credit	12,069	8,157	1,678	1,756	478
Enterprise Zone Tax Credit	182	141	*d*	23	*d*
Ethanol Facility Tax Credit	*d*	*d*	-	-	-
Important Agricultural Lands Tax Credit	6	*d*	-	*d*	-
Tax Credits to Avoid Double Taxation or Pyramiding of Taxes					
Capital Goods Excise Tax Credit	2,449	1,733	326	227	163
Income Tax Paid to Another State or to a Foreign Country	6,595	4,483	867	865	380
Expired Tax Credits					
Tax Credits to Promote Social Welfare					
Individual Development Account Contribution Tax Credit	*d*	-	-	*d*	-
Tax Credits to Encourage Certain Industries or Economic Activities					
High Technology Business Investment Tax Credit	2,031	1,701	187	88	55
Tax Credit for Research Activities	24	20	*d*	*d*	-
Energy Conservation Tax Credit	187	104	38	32	13
Hotel Construction and Remodeling Tax Credit	*d*	*d*	*d*	-	-
Technology Infrastructure Renovation Tax Credit	*d*	*d*	-	*d*	-
Residential Construction and Remodeling Tax Credit	62	33	*d*	12	*d*

Notes: "d" denotes the data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information. "na" denotes "not applicable."

Table A-5
DOLLAR AMOUNTS OF TAX CREDITS CLAIMED BY INDIVIDUALS
BY TYPE OF CREDIT AND INCOME CLASS* - 2011

Type of Credit	ALL	INCOME CLASS					
		Less than $10,000	$10,000 to $29,999	$30,000 to $59,999	$60,000 to $99,999	$100,000 to $199,999	$200,000 or more
Active Tax Credits							
Tax Credits to Promote Social Welfare							
Refundable Food Excise Tax Credit (Food/Excise)	$28,786,995	$11,210,969	$12,273,696	$5,266,105	$23,685	$7,995	$4,545
Tax Credit for Low-Income Household Renters	4,878,820	$1,640,735	$3,238,085	-	-	-	-
Tax Credit for Child and Dependent Care Expenses	9,551,513	$313,027	$1,971,614	$2,151,121	$2,387,630	$2,364,697	$363,424
Tax Credit for Child Passenger Restraint Systems	80,296	$8,314	$15,600	$19,353	$18,170	$16,795	$2,064
Tax Credit for Employment of Vocational Rehabilitation Referrals	29,339	-	-	*d*	-	*d*	*d*
Low-Income Housing Tax Credit	37,459	$120	$5,614	$8,491	*d*	$15,024	*d*
Tax Credit for School Repair and Maintenance	*d*	-	-	*d*	*d*	*d*	-
Lifeline Telephone Service Tax Credit	*na*	-	-	-	-	-	-
Tax Credits to Encourage Certain Industries or Economic Activities							
Fuel Tax Credit for Commercial Fishers	82,518	$21,850	$13,658	$26,636	$14,615	$1,709	$4,050
Motion Picture, Digital Media and Film Production Income Tax Credit	660,303	$421,642	*d*	$97,747	*d*	$8,241	$94,861
Renewable Energy Technologies Tax Credit	68,179,812	$11,910,503	$4,020,493	$5,131,917	$7,947,587	$18,296,404	$20,872,908
Enterprise Zone Tax Credit	802,569	*d*	$2,762	*d*	$18,952	$85,151	$693,274
Ethanol Facility Tax Credit	*d*	*d*	*d*	*d*	-	-	-
Important Agricultural Lands Tax Credit	20,653	*d*	*d*	*d*	*d*	-	*d*
Tax Credits to Avoid Double Taxation or Pyramiding of Taxes							
Capital Goods Excise Tax Credit	4,019,692	$263,408	$93,527	$145,648	$145,698	$381,410	$2,990,001
Income Tax Paid to Another State or to a Foreign Country	27,784,411	$23,022	$204,966	$606,080	$980,791	$2,881,837	$23,087,715
Expired Tax Credits							
Tax Credits to Promote Social Welfare							
Individual Development Account Contribution Tax Credit	*d*	-	-	-	*d*	-	-
Tax Credits to Encourage Certain Industries or Economic Activities							
High Technology Business Investment Tax Credit	39,521,068	$178,113	$22,786	$191,294	$492,397	$2,667,366	$35,969,112
Tax Credit for Research Activities	141,860	*d*	*d*	-	*d*	$5,257	$128,478
Energy Conservation Tax Credit	254,620	*d*	$13,618	$42,631	$84,513	$77,285	*d*
Hotel Construction and Remodeling Tax Credit	*d*	-	*d*	*d*	*d*	-	-
Technology Infrastructure Renovation Tax Credit	*d*	-	*d*	-	*d*	-	-
Residential Construction and Remodeling Tax Credit	72,417	*d*	$6,761	$16,250	$28,175	*d*	-
GRAND TOTAL	$184,921,494	$26,015,527	$21,891,742	$13,714,789	$12,185,176	$26,842,591	$84,271,669
AGGREGATE TAX LIABILITY BEFORE TAX CREDITS**	$1,552,561,068	$7,096,484	$98,309,854	$265,285,790	$309,521,345	$385,902,678	$486,444,917

Notes: "*d*" denotes that data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information. "na" denotes "not applicable."

* Income class is measured using Hawaii AGI for Forms N-11 and N-13 and total AGI for Form N-15.

** Tax liabilities reported on all individual income tax returns filed for tax year 2011.

Table A-6
NUMBER OF INDIVIDUAL INCOME TAX RETURNS WITH CLAIMS FOR TAX CREDITS
BY TYPE OF CREDIT AND INCOME CLASS* - 2011

Type of Credit	ALL	INCOME CLASS Less than $10,000	$10,000 to $29,999	$30,000 to $59,999	$60,000 to $99,999	$100,000 to $199,999	$200,000 or more
Active Tax Credits							
Tax Credits to Promote Social Welfare							
Refundable Food Excise Tax Credit (Food/Excise)	327,424	108,265	131,745	87,071	263	54	26
Tax Credit for Low-Income Household Renters	47,444	17,041	30,403	-	-	-	-
Tax Credit for Child and Dependent Care Expenses	27,121	768	4,220	6,459	7,467	7,157	1,050
Tax Credit for Child Passenger Restraint Systems	3,219	337	624	775	728	672	83
Tax Credit for Employment of Vocational Rehabilitation Referrals	4	-	-	*d*	-	*d*	*d*
Low-Income Housing Tax Credit	47	3	25	12	*d*	3	*d*
Tax Credit for School Repair and Maintenance	*d*	-	-	*d*	*d*	*d*	-
Lifeline Telephone Service Tax Credit	*na*	-	-	-	-	-	-
Tax Credits to Encourage Certain Industries or Economic Activities							
Fuel Tax Credit for Commercial Fishers	135	37	25	34	27	9	3
Motion Picture, Digital Media and Film Production Income Tax Credit	106	7	*d*	6	*d*	19	68
Renewable Energy Technologies Tax Credit	12,069	1,164	1,292	2,033	2,568	3,585	1,427
Enterprise Zone Tax Credit	182	*d*	7	*d*	14	41	116
Ethanol Facility Tax Credit	d	*d*	*d*	*d*	-	-	-
Important Agricultural Lands Tax Credit	6	*d*	*d*	*d*	*d*	-	*d*
Tax Credits to Avoid Double Taxation or Pyramiding of Taxes							
Capital Goods Excise Tax Credit	2,449	347	207	274	267	456	898
Income Tax Paid to Another State or to a Foreign Country	6,595	553	939	1,201	1,115	1,407	1,380
Expired Tax Credits							
Tax Credits to Promote Social Welfare							
Individual Development Account Contribution Tax Credit	*d*	-	-	-	*d*	-	-
Tax Credits to Encourage Certain Industries or Economic Activities							
High Technology Business Investment Tax Credit	2,031	24	53	120	171	474	1,189
Tax Credit for Research Activities	24	*d*	*d*	-	*d*	6	14
Energy Conservation Tax Credit	187	*d*	54	56	40	29	*d*
Hotel Construction and Remodeling Tax Credit	*d*	-	*d*	*d*	*d*	-	-
Technology Infrastructure Renovation Tax Credit	*d*	-	*d*	-	*d*	-	-
Residential Construction and Remodeling Tax Credit	62	*d*	22	21	14	*d*	-

Notes: "*d*" denotes that data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information. "na" denotes "not applicable."

* Income class is measured using Hawaii AGI for Forms N-11 and N-13 and total AGI for Form N-15.

APPENDIX B

OUTLINES OF TAX CREDIT HISTORY

Table B-1

NUMBER AND TYPE OF CREDITS AVAILABLE BY TAX YEARS (1965-2011)

	Tax Year																							
	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88
Important Agric. Land																								
Credit for Flood Victims																								
Ethanol Investment / Facility																								
Residential Remodeling																								
Drought Mitigation																								
School Repair																								
Tech. Infrastructure																								
High Technology Bus. Inv.																								
Research Activity																								
Individual Development																								
Low-income, Food/Excise																								
Motion Picture																								
Hotel Remodeling																								
Nurse Facilities																								
Job Rehabilitation																								
Food / Excise																								
Medical Services																								
Capital Goods Excise																								x
Low-Income Housing																								x
Food																							x	x
Lifeline Telephone																						x	x	x
Enterprise Zone																						x	x	x
Car Pass. Restraint System																		x	x	x	x	x	x	x
General Income																	x	x	x	x	x	x	x	x
Commercial Fishers																x	x	x	x	x	x	x	x	x
Dependent Care													x	x	x	x	x	x	x	x	x	x	x	x
Energy Conservation											x	x	x	x	x	x	x	x	x	x	x	x	x	x
Renewable Energy Tech.																								
Excise										x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Dangerous Item							x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x		
Rent						x	x	x	x				x	x	x	x	x	x	x	x	x	x	x	x
Drug / Medical						x	x	x	x															
Education	x	x	x	x	x	x	x	x	x															
Ko Olina																								
Consumer-Type	x	x	x	x	x	x	x	x	x															
Out of State Taxes Paid	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x

Table B-1 (Cont.)

NUMBER AND TYPE OF CREDITS AVAILABLE BY TAX YEARS (1965-2011)

	Tax Year																						
	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11
Important Agric. Land																				x	x	x	x
Credit for Flood Victims																		x					
Ethanol Investment / Facility														x	x	x	x	x	x	x	x	x	x
Residential Remodeling													x	x	x								
Drought Mitigation													x	x	x	x	x						
School Repair													x	x	x	x	x	x	x	x	x	x	x
Tech. Infrastructure													x	x	x	x	x	x	x	x	x	x	
High Technology Bus. Inv.												x	x	x	x	x	x	x	x	x	x	x	
Research Activity												x	x	x	x	x	x	x	x	x	x	x	
Individual Development												x	x	x	x	x							
Low-income, Food/Excise											x	x	x	x	x	x	x	x	x	x	x	x	x
Motion Picture									x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Hotel Remodeling									x	x	x	x	x	x	x	x							
Nurse Facilities					x	x	x	x	x														
Job Rehabilitation			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Food / Excise		x	x	x	x	x																	
Medical Services	x	x	x	x	x	x																	
Capital Goods Excise	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x		x	x	x
Low-Income Housing	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Food	x						x	x	x	x													
Lifeline Telephone	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Enterprise Zone	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Car Pass. Restraint System	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
General Income	x	x	x	x	x	x	x						x	x					x	x	x		
Commercial Fishers	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Dependent Care	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Energy Conservation	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x								
Renewable Energy Tech.															x	x	x	x	x	x	x	x	x
Excise	x	x	x	x	x	x																	
Dangerous Item																							
Rent	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Drug / Medical																							
Education																							
Ko Olina																	x	x	x	x	x		
Consumer-Type																							
Out of State Taxes Paid	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x

Table B-2

Outline of Tax Credit History by Year of Enactment

Year	Act	Type of Tax Credit	Description of the Tax Credit or Its Modification
1965	155	Consumer-type	Range established at $18 to $0.45 per qualified exemption based on modified adjusted gross income (MAGI).
	155	Education credit	Set at $50 to $2 for higher education, $20 to $2 for K12, based on modified adjusted gross income (MAGI).
1967	229	Credit against individual income tax	Formerly named the consumer-type credit; limited to residents with MAGI under $7,000; credit range changed to $20 to $1 per qualified exemption.
	229	Education credit	Limited to residents with adjusted gross income (AGI) under $7,000.
1969	60	Credit against individual income tax	Expanded upper income limit to MAGI under $10,000, raised maximum credit per qualified exemption to $21.
1970	180	Drug and medical expense credit	Credit range established at 4% to 1% of expenses, based on MAGI under $14,000.
	180	Rent credit	Credit range of 2% to 1% of rent paid, inversely graduated to AGI under $15,000.
1971	59	Drug and medical expense credit	Person aged 65 or older allowed two exemptions beginning with 1972 tax year.
1974	221	Excise credit	Replaced four previous credits: credit against individual income tax, education, drug and medical expense, and rent credits; set at $30 to $6 per qualified exemption based on AGI under $15,000.
1976	189	Energy device credit	Set at 10% of cost of solar device installed after 12/31/74 but before 12/31/81.
	208	Excise credit	Raised maximum credit to $40 per qualified exemption; raised AGI ceiling to under $20,000; person aged 65 or over allowed two exemptions.
1977	15	Rent credit	Set at $20 per qualified exemption; AGI must be less than $20,000 and annual rent must be greater than $1,000; age 65 or over allowed two exemptions.
	196	Child and dependent care credit	Set at 5% of care expenses; maximum credit $100 for one and $200 for two or more qualified dependents.
1978	19	Hot water insulation credit	Up to $30 for cost of materials; expired 12/31/84.
1980	228	Excise Credit	Increased credit per qualified exemption; new range $48 to $8.
1981	230	Rent credit	Raised to $50 per qualified exemption.
	231	General income credit	Set at $100 per qualified exemption.
	233	Energy device credit	Expanded to include home heat pumps and wind energy devices; extended expiration date to 12/30/85.

Table B-2 (Cont.)
Outline of Tax Credit History by Year of Enactment

Year	Act	Type of Tax Credit	Description of the Tax Credit or Its Modification
	234	Child and dependent care credit	Raised to 10% of expenses; maximum credit raised to $200 for one and $400 for two or more qualified decedents.
1982	25	Child and dependent care credit	Changed to graduated credit ranging from 15% to 10% of expenses, based on AGI; maximum credit raised to $360 for one and $720 for two or more qualified dependents.
	134	Child passenger restraint credit	Set at $25 per return for purchase of qualified care seat.
	265	General income credit	Reduced to $25 per qualified exemption.
1983	67	Energy device credit	Eligibility extended to heat pumps for commercial use.
	97	General income credit	Reduced to $1 per qualified exemption.
1984	55	General income credit	$1 per qualified exemption.
1985	81	General income credit	$1 per qualified exemption.
	232	Energy device credit	Extended expiration date to 12/30/92; increases to 15% if federal energy credit not extended beyond 12/31/85.
1986	49	General income credit	$1 per qualified exemption.
	66	Energy device credit	Raised to 15% if federal energy credit not retroactively extended or reenacted.
	70	Energy device credit	Expanded to include ice storage systems with credit set at 10% of cost.
1987	41	General income credit	$1 per qualified exemption.
	239	Food credit	Set at $45 per qualified exemption; to expire 12/31/90.
	239	Capital goods excise credit	Set at 3% of cost of qualified tangible business property for tax year 1988 and 4% of cost for 1989 and thereafter.
1988	11	Excise credit	Credit range changed to $55 to $10 per qualified exemption; AGI ceiling raised to $30,000.
	185	General income credit	$1 per qualified exemption.
1988	216	Low-income housing credit	30% credit on the qualified basis of each low-income building located in Hawaii as provided in IRC section 43(b).
1989	307	Energy device credit	Raised to 20% of cost if placed in service after 12/31/89.
	321	Medical services excise credit	Set at 4% of qualified medical expenses; maximum credit $200 for most residents, $400 if 65 or older, and $600 if both joint taxpayers 65 years or older.
	321	Rent credit	AGI ceiling raised to $30,000.

Table B-2 (Cont.)
Outline of Tax Credit History by Year of Enactment

Year	Act	Type of Tax Credit	Description of the Tax Credit or Its Modification
	321	Child and dependent care credit	Credit made refundable if it exceeds tax liability; AGI ceiling for maximum 15% rate raised from $10,000 to $22,000.
	322	Child and dependent care credit	Raised rate to 25% to 15% of qualified expenses effective after 12/31/89.
	323	General income credit	$125 per qualified exemption.
1990	98	Renter's credit	Allowed residents with no taxable income to claim the credit.
	186	General income credit	Reduced to $60 per qualified exemption.
	187	Food/excise credit	Repealed excise credit and created a permanent food/excise credit; food credit increased from $45 to $55 per qualified exemption; no change in excise credit rates.
	319	Energy device credit	Extended expiration date to 12/31/98; credit ceilings set according to device and type of dwelling: solar device--lesser of 35% of cost or $1,750 if placed in single-family dwelling or $350 if placed in multi-family dwelling, no cap for hotel, commercial, or industrial installation; heat pump--lesser of 20% of cost or $400 if installed in single-family unit or $200 if placed in multi-family unit; no cap for hotel, commercial, or industrial installations; wind energy device--rate increased from 15% to 20% of cost; ice storage systems--rate increased to 50% of cost if installed and placed in service after 12/31/90.
1991	137	Job credit	20% of wage up to $1,200 per vocational rehabilitation employee.
	179	General income credit	$1 per qualified exemption.
	217	Medical services excise credit	Extended the medical service excise credit to 12/31/96.
1992	128	General income credit	$1 per qualified exemption.
1993	184	General income credit	$1 per qualified exemption.
	315	Medical services excise credit	6% of nursing facility expenses.
1994	85	General income credit	$1 per qualified exemption.
1995	23	Medical services excise credit	Repealed the 4% portion of the tax credit and retains 6% of the nursing facility tax portion.
	93	General income credit	$1 per qualified exemption.
	134	Medical services excise credit	Repealed the medical service tax credit and the nursing facilities tax credit.

Table B-2 (Cont.)
Outline of Tax Credit History by Year of Enactment

Year	Act	Type of Tax Credit	Description of the Tax Credit or Its Modification
	134	Food/excise credit	Reduced the food portion of the food/excise tax credit from $55 to $27 per qualified exemption, and repeals the excise portion of the food/excise tax credit.
1996	286	Enterprise zone credit	Exempted general excise taxes on the gross proceeds from manufacture of tangible personal property, the wholesale of tangible personal property, or the engaging in a service business by qualified businesses in the enterprise zone.
1997	107	Motion picture credit	Provided an income tax credit of up to 4% of costs incurred, and of up to 6% of transient accommodations costs incurred in the production of motion picture or television films in the state.
	108	Hotel remodeling credit	Provided an income tax credit equal to 4% of the renovation costs for each qualified hotel facility located in Hawaii, with tax credit cap of 10% of the transient accommodations tax paid by the taxpayer in the preceding tax year.
1998	156	Motion picture credit	Increases credit from 6% to 7.25% of transient accommodations costs incurred.
	157	Food tax credit	Repealed food tax credit beginning tax year 1999.
	157	Low-income credit	Established refundable graduated low-income credit beginning tax year 1999.
	163	Energy device credit	Extended sunset date for energy device credits to July 1, 2003.
1999	24	Low-income housing credit	Expanded to include insurance companies.
	160	IDA credit	IDA tax credit up to 50% of contribution to an individual development account (IDA).
	178	High technology credit	10% of the investment made by the taxpayer in each qualified high technology business, up to a maximum allowed credit of $500,000, effective tax years 1999 to 2005.
	178	Research activity credit	Adopts federal income tax credit for increasing research activities, effective tax years 2000 to 2005.
1999	306	Qualified improvement credit	Qualified improvement tax credit for capitalized costs of construction and equipment of a permanent nature with respect to resort and hotel properties. Unspecified percent of credit may be applied against GET, income, PSC or TAT.
2000	148	Low-income housing credit	Allows partnerships to claim low-income housing credit.
	184	Individual development account	5% of amount contributed to an IDA up to $1 million, between January 01, 2000 and December 31, 2004.
	174	Research activity credit	Retains credit for increasing research activities, even if federal credit is repealed.
	289	Ethanol investment credit	16 step investment tax credits for ethanol production facility based on gallons produced, capped at lesser of 30% of investment of specified dollar amount per step. Effective after December 31, 2001.
	297	Research activity credit	Makes the credit refundable.

Table B-2 (Cont.)
Outline of Tax Credit History by Year of Enactment

Year	Act	Type of Tax Credit	Description of the Tax Credit or Its Modification
	297	High technology credit	Eases requirements to qualify for credit.
2001	36	General income credit	$1 per qualified exemption.
	221	Research activities credit	Removes requirement for increasing research.
	221	High technology business investment credit	Increases maximum credit to $2 million and credit percentage to 100%.
	293	Drought mitigation credit	4% of cost of construction or repair of qualified water storage facility for farmers and ranchers.
	309	School repair and maintenance credit	10% of fair-market value of repair and maintenance of public schools by licensed contractors.
2001	10	Hotel construction and remodeling credit	Increases credit to 10% of costs and makes it nonrefundable until June 30, 2003.
2001 (3rd SS)	10	Residential construction and remodeling credit	4% of cost of new residential construction or remodeling.
2002	63	General income credit	$1 per qualified exemption.
	174	Residential construction and remodeling credit	Extends the credit to costs incurred before July 1, 2003.
2003	207	Renewable energy technologies credit (Energy device credit)	Energy technology installed and placed in service after 6/30/03. Credit ceilings set according to device and type of dwelling: solar-device-lesser of 35% of cost or $1,750 if placed in single family dwelling, $350 for multi-family dwelling, $250,000 for commercial properties; wind powered system-lesser of 20% of cost or $1,500 if installed in single family unit, $200 if placed in multi-family unit, or $250,000 if placed in a commercial property; photovoltaic energy systems-lesser of 35% of cost or $1,750 if installed in single family unit, $350 if installed in multi-family unit, $250,000 if installed in a commercial property.

Table B-2 (Cont.)
Outline of Tax Credit History by Year of Enactment

Year	Act	Type of Tax Credit	Description of the Tax Credit or Its Modification
	100	Ko Olina resort and marina attractions and educational facilities tax credit	Established a nonrefundable, carry-forward tax credit for qualified costs incurred for the development of attractions and educational facilities at the Ko Olina resorts and marina, or for the development of a training and educational facility at the Makaha Resort. It took effect on May 29, 2003 and is available for tax year 2005.
2004	97	Renewable energy technologies credit (Energy device credit)	Clarified that the tax credit is nonrefundable and that unused credit may be claimed in subsequent years until exhausted. Allowed financial institutions to claim the credit for taxable years beginning after 12/30/02, provided that the system was installed after 6/30/03.
	140	Ethanol Facility tax credit	Clarified that the tax credit is equal to 30% of the ethanol production facility's nameplate capacity if greater than 500,000 but less than 15 million gallons. Tax credit is limited to 100% of the total of all investments made by the taxpayer during the 8 year tax credit period. Requires that the facility be operating at a level of production of at least 75%. Facility must be in production before 1/1/12. Effective 7/01/04 and applied to taxable years beginning after 12/21/03.
2005	196	Low-income housing tax credit	Provides incentives for developers to build affordable housing projects by increasing the low-income housing tax credit from 30 to 50 percent of the applicable percentage of the qualified basis of each building located in Hawaii. Effective 7/01/05.
2006	88	Motion Picture and Film Production Income Tax Credit	Increases the Motion Picture and Film Production income tax credit to 15% or 20% of qualified production costs, depending on locale of production. Effective for production occurring after June 30, 2006.
	110	Tax Credit for Flood Victims	Establishes the one-time Tax Credit for Flood Victims, for non-reimbursable costs stemming from the Manoa flooding of October 30, 2004 and the statewide flooding during the first quarter of 2006.
	240	Renewable energy	Increases the limits on the Renewable Energy Technologies credit for single-family residential systems to $2,250 (for solar thermal systems) or $5000 (for photovoltaic systems). Increases the limits for commercial systems to $500,000 per system. Higher limits effective for systems installed after June 30, 2006.
2007	128	Ethanol Facility tax credit	Extended the date for which a qualified ethanol production facility must be in production for purposes of qualifying for the Ethanol Production Facility tax credit by five years, to 1/1/2017.
	151	Renewable Energy	Requires that all renewable energy technology systems be in the State in order to qualify for the Renewable Energy Technologies tax credit. Applies to taxable years beginning after 12/31/2006.
	210	General income credit	The credit is refundable and declines as federal AGI increases. The maximum credit is $160 (for married filing jointly with federal AGI under $5,000).

Table B-2 (Cont.)
Outline of Tax Credit History by Year of Enactment

Year	Act	Type of Tax Credit	Description of the Tax Credit or Its Modification
	211	Food/Excise tax credit	Changes the name of the Low-Income Refundable tax credit to the Refundable Food/Excise tax credit. Amends the credit payout schedule and the adjusted gross incomes. The highest payout is $85 for federal AGI under $5,000 per exemption. Effective for taxable years beginning after 12/31/2007.
2008	58	General income credit	Provides a refundable credit of $1 per exemption (not including extra exemptions for age or disability).
2008	204	Renewable energy	Requires single family residences with building permits issued after 1/1/2010 to include a solar hot water heating system and disallows the Renewable energy credit for the required systems. For solar, wind or photovoltaic systems placed in service after 12/21/2008, residential home developers are ineligible to claim the credit.
	143	Enterprise Zone tax credit	Extends Enterprise Zone benefits to certain qualifying agricultural businesses, including processing of agricultural products. Effective 7/1/2008.
	233	Important Agricultural Lands tax credit	Provides a refundable tax credit for certain costs benefiting property designated as "Important Agricultural Land," effective 7/1/2008.
2009	84	General income credit	Provides a refundable credit of $1 per exemption, excluding multiple exemptions for age or disability.
	154	Renewable Energy	Combines solar and photovoltaic systems into the single category "solar." The caps per system are unchanged, however, as solar systems used to heat water are still subject to the lower cap of $2,250 per system. An election is granted to make the credit refundable for systmes placed in service on or after 7/1/2009.
	155	Renewable Energy	Amends the requirement that a building permit not be issued for new single family dwellings that to not include a solar water heating system on or after 1/1/2010.
	174	Enterprise Zone tax credit	Amends the definitions of eligible business. Allows agricultural producers, manufacturers and wholesalers to renew eligibility in the program for an additional three years. Effective 7/1/2009.
	178	High technology credit and the Capital goods excise tax credit	Limits claims for the High technology business investment tax credit to 80% of the taxpayer's tax liability, with no carry-over of the excess, for investments after May 1, 2009. Limits the credit amount to the amount of the investment (investors can no longer use special allocations from partnerships to receive more credit than the amount invested). The Act also suspended the Capital goods excise tax credit for calendar year 2009. Effective for the period from 1/1/2009 through 1/1/2011.
2010	21	All tax credits	Requires refundable credits to be claimed first, followed by nonrefundable credits after 1/1/2010.
2011	158	Low income housing tax credit	Grants low-income housing tax credit loans in lieu of low-income housing tax credits and provides a tax credit for certain awards under the American Recovery and Reinvestment Act of 2009. Applies to qualified buildings placed in service after 12/31/2011.