

STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. BOX 3378
HONOLULU, HI 96801-3378

In reply, please refer to:
File:

Administrative Rules, Title 11, Chapter 62, Wastewater Systems (HAR 11-62)
Implementing Act 120 – Temporary Tax Credit for Cesspools

What is Act 120?

Act 120 provides a temporary income tax credit for the cost of upgrading or converting a qualified cesspool to a septic tank system or an aerobic treatment unit system, or connecting to a sewer system. A taxpayer may apply for a tax credit of up to \$10,000 for each qualified cesspool. Tax credits are available for five years. The tax credit starts in tax year 2016, January 1, 2016 and ends in tax year 2020, December 31, 2020. There is a \$5,000,000 cap that is available for each tax year. Any taxpayer who is not eligible to claim the credit in a taxable year shall be eligible to claim the credit in the subsequent taxable years from 2017 to 2020.

What is a qualified cesspool covered under Act 120?

Qualified cesspools are cesspools that are: Located within 200 feet of a shoreline, perennial stream, wetland, or within a source water assessment program area (two year time of travel from a cesspool to a public drinking water source).

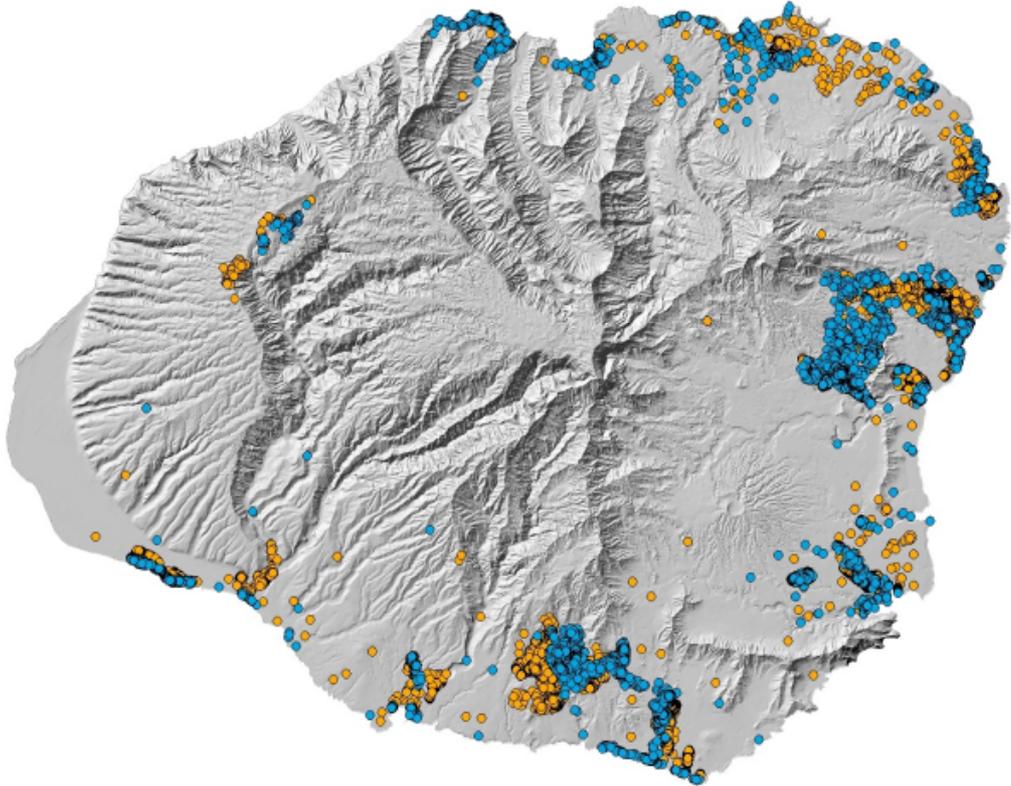
What is DOH's role in implementing Act 120?

DOH is responsible for certifying the qualified cesspools and expenses that will be eligible for a tax credit. DOH will notify the taxpayer and the Department of Taxation of the amount of the tax credit that will be eligible for the tax year.

When can I apply for the tax credit?

Revisions to HAR 11-62 have to be promulgated before a taxpayer will be able to apply for a tax credit starting in calendar year 2016. DOH is working on the rules and hopes to promulgate them by the end of this year.

CESSPOOL LOCATIONS ON KAUAI



Legend

- Eligible for a Tax Credit (approximately 1,500)
- Not Eligible for a Tax Credit (approximately 12,000)

0 7.5 15 30 Miles



Figure 1.

CESSPOOL LOCATIONS ON OAHU

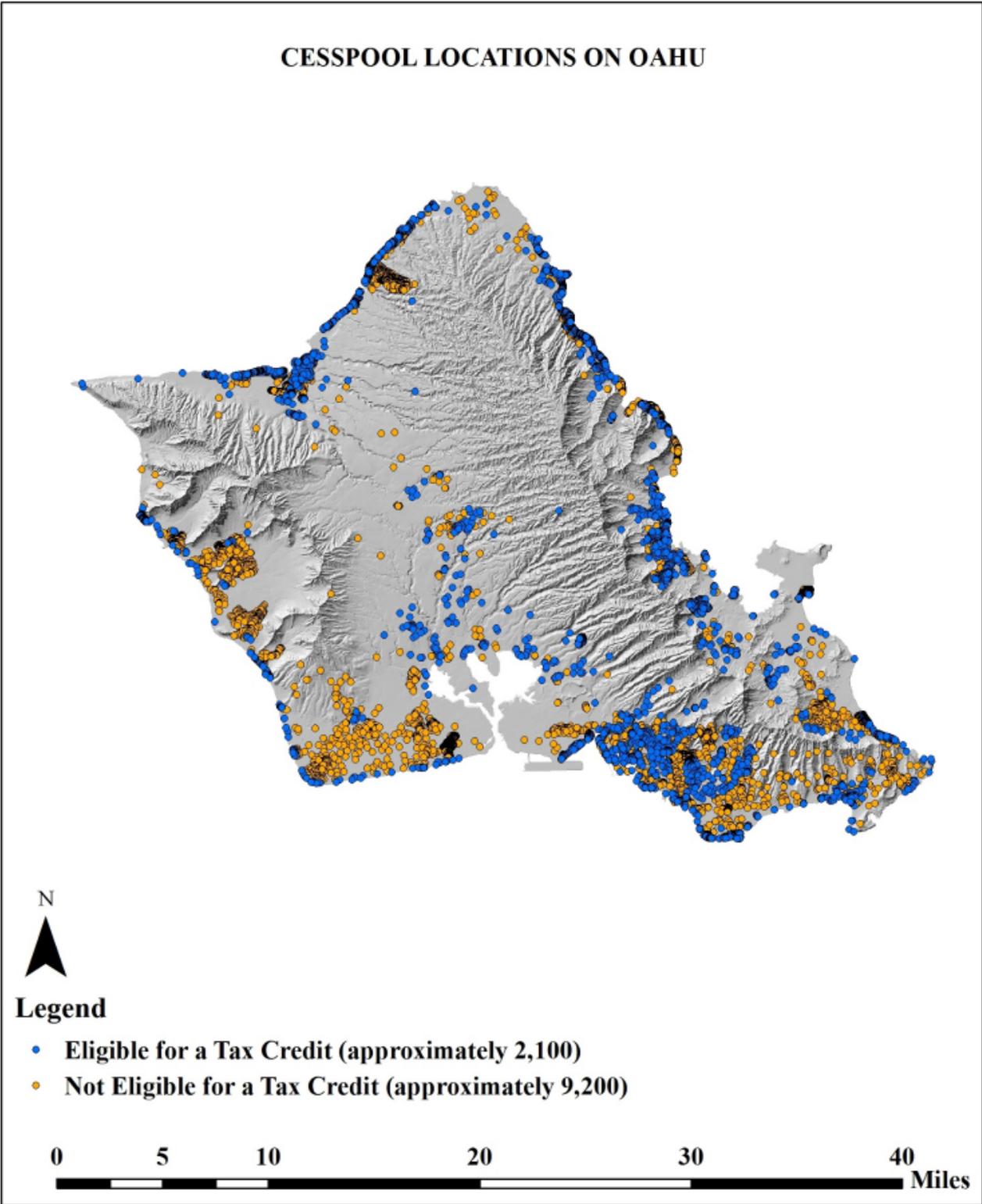
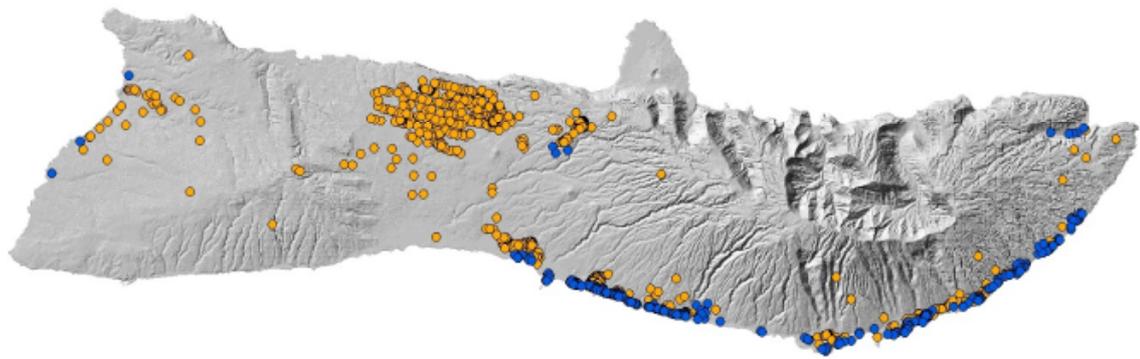


Figure 2.

CESSPOOL LOCATIONS ON MOLOKAI



Legend

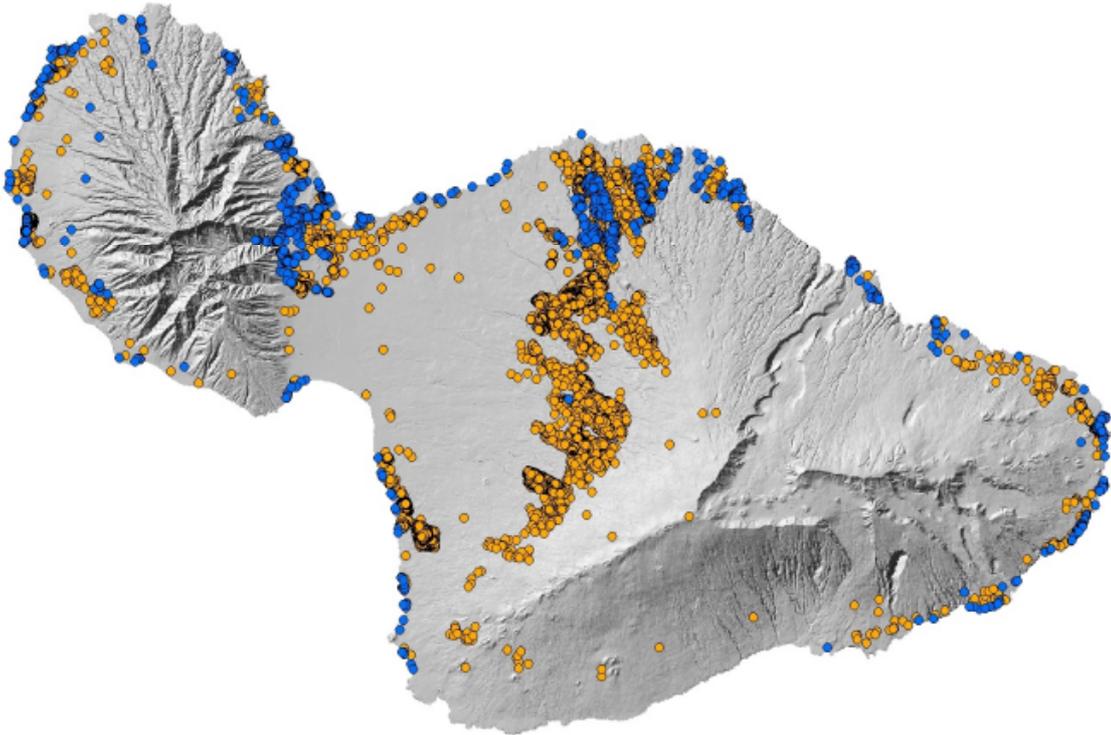
- Eligible for a Tax Credit (approximately 130)
- Not Eligible for a Tax Credit (approximately 1,300)

0 5 10 20 30 Miles



Figure 3.

CESSPOOL LOCATIONS ON MAUI



Legend

- Eligible for a Tax Credit (approximately 900)
- Not Eligible for a Tax Credit (approximately 11,000)

0 5 10 20 30 40 Miles



Figure 4.

CESSPOOL LOCATIONS ON HAWAII ISLAND

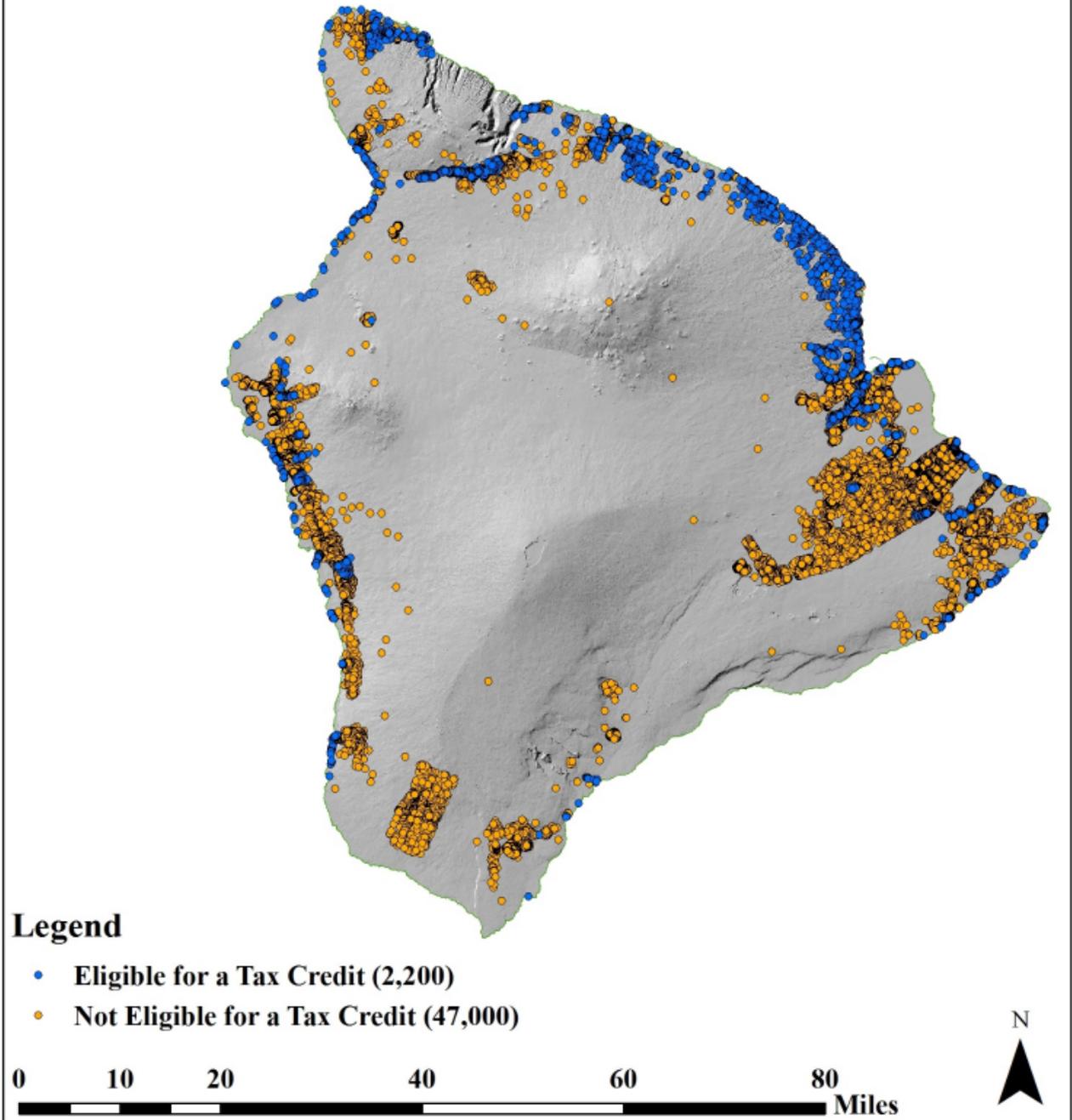


Figure 5.

Estimated Number of Qualified Cesspools by House District

County	District Number	Representative	Near a Drinking Water Well	Within 200 ft of a Perennial Stream	Within 200 ft of a Wetland	Within 200 ft of the Shoreline	Total Number of Qualifying Cesspools
Hawaii	1	Nakashima	163	547	1	54	707
Hawaii	2	Tsuji	7	130	0	23	160
Hawaii	3	Onishi	237	30	3	2	270
Hawaii	4	Buenaventura	76	0	0	91	167
Hawaii	5	Creagan	157	0	0	62	219
Hawaii	6	Lowen	59	0	0	8	67
Hawaii	7	Evans	88	362	2	67	512
Maui	8	Souki	363	66	1	16	399
Maui	9	Woodson	14	0	0	0	14
Maui	10	McKelvey	15	6	9	38	67
Maui	11	Ing	0	0	1	7	8
Maui	12	Yamashita	5	0	0	10	15
Maui	13	DeCoite	255	65	5	158	479
Kauai	14	Kawakami	176	176	0	127	475
Kauai	15	Tokioka	128	435	0	26	584
Kauai	16	Morikawa	87	272	40	93	438
Honolulu	17	Ward	0	0	0	14	14
Honolulu	18	Hashem	1	0	0	32	33
Honolulu	19	Kobayashi	0	1	0	67	68
Honolulu	20	Say	24	27	0	0	42
Honolulu	21	Nishimoto	9	0	0	0	9
Honolulu	22	Brower	0	0	0	12	12
Honolulu	23	Choy	47	49	0	0	88
Honolulu	24	Belatti	49	0	0	0	49
Honolulu	25	Luke	25	35	0	0	60
Honolulu	26	Saiki	13	1	0	7	21
Honolulu	27	Ohno	42	13	0	0	55
Honolulu	28	Mizuno	10	9	0	0	16
Honolulu	29	Rhoads	22	2	0	29	52
Honolulu	30	Cacholoa	0	9	0	49	58
Honolulu	31	Johanson	0	0	0	0	0

Estimated Number of Qualified Cesspools by House District

County	District Number	Representative	Near a Drinking Water Well	Within 200 ft of a Perennial Stream	Within 200 ft of a Wetland	Within 200 ft of the Shoreline	Total Number of Qualifying Cesspools
Honolulu	32	Ichiyama	0	0	0	0	0
Honolulu	33	Kong	137	8	0	0	140
Honolulu	34	Takayama	15	0	0	1	15
Honolulu	35	Takumi	8	4	0	1	13
Honolulu	36	Fukumoto Chang	31	1	0	0	32
Honolulu	37	Yamane	20	0	0	0	20
Honolulu	38	Aquino	1	0	0	0	1
Honolulu	39	Cullen	22	1	0	3	25
Honolulu	40	McDermott	0	0	0	3	3
Honolulu	41	LoPresti	0	0	0	8	8
Honolulu	42	Har	31	0	0	0	31
Honolulu	43	Tupola	0	0	0	6	6
Honolulu	44	Jordan	11	1	0	28	40
Honolulu	45	Kealohilani Matsumoto	73	8	0	134	212
Honolulu	46	Oshiro	7	1	0	0	8
Honolulu	47	Pouha	106	37	39	466	632
Honolulu	48	Keohokalole	3	133	3	77	210
Honolulu	49	Ito	5	22	1	0	27
Honolulu	50	Thielen	0	0	0	28	28
Honolulu	51	Lee	15	1	0	19	35
Hawaii County Total			787	1,069	6	307	2,102
Kauai County Total			391	883	40	246	1,497
Maui County Total			652	137	16	229	982
Honolulu County Total			727	363	43	984	2,063
Statewide Total			2,557	2,452	105	1,766	6,644

Estimated Number of Qualified Cesspools by Senate District

Island	Senate District	Senator	Near a Drinking Water Well	Within 200 ft of a Perennial Stream	Within 200 ft of a Wetland	Within 200 ft of the Shoreline	Total Number of Qualifying Cesspools
Hawaii	SD-1	Kahele	152	221	0	47	419
Hawaii	SD-2	Ruderman	170	0	3	93	264
Hawaii	SD-3	Green	216	0	0	70	286
Hawaii	SD-4	Inouye	249	848	3	97	1133
Maui	SD-5	Keith-Agaran	377	66	1	16	413
Maui	SD-6	Baker	15	6	10	45	75
Molokai	SD-7	English	260	65	5	168	494
Kauai	SD-8	Kouchi	391	883	40	246	1497
Oahu	SD-9	Slom	1	1	0	100	102
Oahu	SD-10	Ihara	38	28	0	0	56
Oahu	SD-11	Taniguchi	108	49	0	0	150
Oahu	SD-12	Galuteria	13	0	0	18	31
Oahu	SD-13	Chun-Oakland	54	50	0	25	128
Oahu	SD-14	Kim	32	18	0	0	42
Oahu	SD-15	Wakai	12	8	0	54	74
Oahu	SD-16	Harimoto	136	0	0	1	136
Oahu	SD-17	Hishihara	9	3	0	1	12
Oahu	SD-18	Kidani	48	2	0	0	50
Oahu	SD-19	Espero	0	0	0	11	11
Oahu	SD-20	Gabbard	32	1	0	4	36
Oahu	SD-21	Shimabukaro	11	1	0	33	45
Oahu	SD-22	Dela Cruz	36	4	0	0	40
Oahu	SD-23	Riviere	177	147	42	659	1001
Oahu	SD-24	Tokuda	5	45	1	44	94
Oahu	SD-25	Thielen	15	6	0	34	55
Hawaii County Total			787	1,069	6	307	2,102
Kauai County Total			391	883	40	246	1,497
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