
A BILL FOR AN ACT

RELATING TO TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the current economic
2 crisis and the resulting dire financial forecasts require a
3 thorough investigation into ways to reduce state expenses
4 wherever possible. Expenses that were funded in the past when
5 state funds were available, may now be inappropriate,
6 considering the billion dollar state deficit that looms ahead.

7 The purpose of this Act is to reduce current state expenses
8 by removing the refunding feature of the capital goods excise
9 tax credit.

10 SECTION 2. Section 235-110.7, Hawaii Revised Statutes, is
11 amended by amending subsection (b) to read as follows:

12 "(b) If the capital goods excise tax credit allowed under
13 subsection (a) exceeds the taxpayer's net income tax liability,
14 the excess of credit over liability [~~shall be refunded to the~~
15 ~~taxpayer;~~] may be claimed in subsequent years until exhausted;
16 provided that no refunds or payment on account of the tax credit
17 allowed by this section shall be made for amounts less than \$1.



1 All claims for tax credits under this section, including
 2 any amended claims, must be filed on or before the end of the
 3 twelfth month following the close of the taxable year for which
 4 the credits may be claimed. Failure to comply with the
 5 foregoing provision shall constitute a waiver of the right to
 6 claim the credit."

7 SECTION 3. Statutory material to be repealed is bracketed
 8 and stricken. New statutory material is underscored.

9 SECTION 4. This Act shall take effect upon its approval
 10 and apply to taxable years beginning after December 31, 2008;
 11 provided that this Act shall be repealed on June 30, 2015, and
 12 section 235-110.7, Hawaii Revised Statutes, shall be reenacted
 13 in the form in which it read on the day before the effective
 14 date of this Act.

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INTRODUCED BY:

[Handwritten signatures: David Oyama, [unclear], Calvin M. Aoy]

JAN 28 2009



Report Title:

Capital Goods Excise Tax Credit

Description:

Removes the refunding feature of the capital goods excise tax credit from 01/01/09 to 06/30/15.

