

JAN 28 2009

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# A BILL FOR AN ACT

RELATING TO LOW INCOME HOUSING TAX CREDIT.

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

1           SECTION 1. Section 235-110.8, Hawaii Revised Statutes, is  
2 amended by amending subsection (e) to read as follows:  
3           "(e) As provided in section 42(e), rehabilitation  
4 expenditures shall be treated as separate new building and their  
5 treatment under this section shall be the same as in section  
6 42(e). The definitions and special rules relating to credit  
7 period in section 42(f) and the definitions and special rules in  
8 section 42(i) shall be operative for the purposes of this  
9 section[-]; provided that in the case of any qualified low-  
10 income housing project placed in service beginning on January 1,  
11 2009, section 42(f)(1) of the Internal Revenue Code shall be  
12 modified as follows: the term "credit period" means, with  
13 respect to any building, the period of five taxable years  
14 beginning with:  
15           (1) The taxable year in which the building is placed in  
16           service; or



1        (2) At the election of the taxpayer, the succeeding  
2                taxable year;  
3 provided that the building is a qualified low-income building at  
4 of the close of the first year of such period. The election  
5 under subparagraph (B) shall be irrevocable."

6                SECTION 2. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8                SECTION 3. This Act shall take effect on January 10, 2010  
9 and apply to taxable years beginning after December 31, 2009.

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INTRODUCED BY: Norman Sakuma



**Report Title:**

Low Income Housing Tax Credit

**Description:**

Clarifies the term "credit period" for the purposes of the low income housing tax credit.

