

JAN 23 2009

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Chapter 235, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§235- Tax credit for gasoline dealers; air compressors.

5 (a) Each gasoline dealer who files an individual or corporate
6 net income tax return for a taxable year may claim an income tax
7 credit under this section against the Hawaii state individual or
8 corporate net income tax.

9 (b) The tax credit shall be an amount equal to per
10 cent of the cost of the purchase, installation, and operation of
11 air compressor equipment available for use by the public for
12 tire inflation at the gasoline dealer's retail station or
13 stations located in the State of Hawaii; provided that the
14 gasoline dealer shall not charge the public a fee for use of the
15 air compressor equipment.

16 (c) The tax credit claimed under this section by the
17 gasoline dealer shall be deductible from the gasoline dealer's



1 individual or corporate income tax liability, if any, for the
2 tax year in which the credit is properly claimed; provided that
3 a husband and wife filing separate returns for a taxable year
4 for which a joint return could have been made by them shall
5 claim only the tax credit to which they would have been entitled
6 had a joint return been filed. If the tax credit claimed by the
7 gasoline dealer under this section exceeds the amount of the
8 income tax payments due from the gasoline dealer, the excess of
9 credit over payments due shall be refunded to the gasoline
10 dealer; provided that the tax credit properly claimed by a
11 gasoline dealer who has no income tax liability shall be paid to
12 the gasoline dealer; and provided further no refunds or payments
13 on account of the tax credit allowed by this section shall be
14 made for amounts less than \$1.

15 (d) The director of taxation shall prepare such forms as
16 may be necessary to claim a credit under this section, may
17 require proof of the claim for the tax credit, and may adopt
18 rules pursuant to chapter 91.

19 (e) Claims for the tax credit under this section,
20 including any amended claims thereof, shall be filed on or
21 before the end of the twelfth month following the taxable year
22 for which the credit may be claimed.



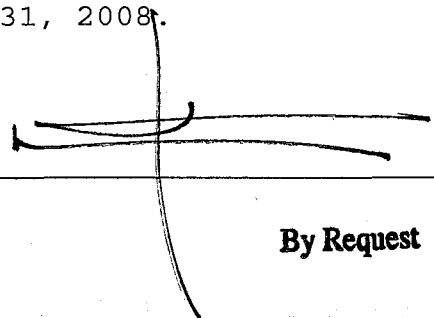
1 (f) As used in this section "gasoline dealer" has the same
2 meaning as set forth in section 486H-1."

3 SECTION 2. New statutory material is underscored.

4 SECTION 3. This Act, upon its approval, shall apply to
5 taxable years beginning after December 31, 2008.

6

INTRODUCED BY: _____



By Request



Report Title:

Tax Credit; Air Compressor; Gasoline Dealer

Description:

Creates a tax credit for gasoline dealers for the cost of the purchase, installation, and operation of air compressor equipment for public use at the gasoline dealer's retail station or stations; provided that the gasoline dealer shall not charge the consumer a fee for use of the air compressor equipment.

