
A BILL FOR AN ACT

RELATING TO FERRIES.

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- Ferry vessel tax credit. (a) Each principal
5 operator of an inter-island ferry who files an individual or
6 corporate net income tax return for a taxable year may claim an
7 income tax credit under this section against the Hawaii state
8 individual or corporate net income tax.

9 (b) The tax credit shall be an amount equal to five per
10 cent of the principal operator's individual or corporate income
11 tax liability.

12 (c) The tax credit claimed under this section by the
13 principal operator shall be deductible from the principal
14 operator's individual or corporate income tax liability, if any,
15 for the tax year in which the credit is properly claimed.

16 (d) The director of taxation shall prepare such forms as
17 may be necessary to claim a credit under this section, may



1 require proof of the claim for the tax credit, and may adopt
2 rules pursuant to chapter 91.

3 (e) If the tax credit under this section exceeds the
4 taxpayer's income tax liability, the excess of the credit over
5 liability may be used as a credit against the taxpayer's income
6 tax liability in subsequent years until exhausted.

7 (f) Claims for the tax credit under this section,
8 including any amended claims thereof, shall be filed on or
9 before the end of the twelfth month following the taxable year
10 for which the credit may be claimed. Failure to comply with
11 this subsection shall constitute a waiver of the right to claim
12 the credit.

13 (g) As used in this section:

14 (1) "Inter-island ferry" means any inter-island ferry
15 vessel that is designed to transport and transports or
16 is intended to transport per voyage at least four
17 hundred passengers, along with motor vehicles and
18 cargo between the islands of the State.

19 (2) "Principal operator" means any individual or corporate
20 resident taxpayer who derives at least fifty-one per
21 cent of the taxpayer's gross annual income from the
22 inter-island ferry vessel operations."



1 SECTION 2. Section 266-13, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§266-13 Dockage.** (a) All watercraft:

4 (1) Lying idle alongside any wharf, pier, bulkhead, quay,
5 or landing belonging to or controlled by the State; or

6 (2) Discharging or receiving freight or passengers on or
7 from any wharf, pier, bulkhead, quay, or landing
8 belonging to or controlled by the State, while made
9 fast or lying alongside of the wharf, pier, bulkhead,
10 quay, or landing;

11 shall pay to the department of transportation [~~such~~] rates of
12 dockage as shall be fixed by the department.

13 (b) All watercraft that receive or discharge freight or
14 passengers:

15 (1) From or upon any wharf, pier, bulkhead, quay, or
16 landing, by means of boats, lighters, or otherwise,
17 while lying at anchor or under steam in any bay,
18 harbor, or roadstead; or

19 (2) While lying in any slip or dock belonging to or
20 controlled by the State, but not made fast to or lying
21 alongside any wharf, pier, bulkhead, quay, or landing;



1 shall pay [~~such~~] rates of dockage as shall be fixed by the
2 department.

3 (c) Notwithstanding subsections (a) and (b), the
4 department may waive dockage and other charges at any wharf,
5 pier, bulkhead, quay, landing, slip, or dock belonging to or
6 controlled by the State whenever:

7 (1) The governor declares a state of emergency; and

8 (2) The department determines that the waiver of dockage
9 fees and other charges is consistent with assisting in
10 the delivery of humanitarian relief to disaster-
11 stricken areas of the State.

12 (d) Notwithstanding subsections (a) and (b), the
13 department of transportation may waive fifty per cent of dockage
14 and other charges at any wharf, pier, bulkhead, quay, landing,
15 slip, or dock belonging to or controlled by the State whenever
16 the wharf, pier, bulkhead, quay, landing, slip, or dock
17 belonging to or controlled by the State is used by an inter-
18 island ferry; provided that the waiver of dockage and other
19 charges by the department shall only be valid for the first
20 twelve months that the inter-island ferry is in operation.

21 For the purposes of this subsection, "inter-island ferry"
22 means any inter-island ferry vessel that is designed to



1 transport and transports or is intended to transport per voyage
2 at least four hundred passengers, along with motor vehicles and
3 cargo between the islands of the State.

4 [~~d~~] (e) Any watercraft leaving any wharf, pier,
5 bulkhead, quay, landing, slip, dock, basin, or waters belonging
6 to or controlled by the State without paying dockage and other
7 charges, with intent to evade the payment thereof, shall be
8 liable to pay double rates."

9 SECTION 3. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 4. This Act, upon its approval, shall apply to
12 taxable years beginning after December 31, 2010.

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Report Title:

Harbors; Inter-island Ferry; Tax Credit

Description:

Provides a non-refundable tax credit of five percent and a fifty per cent reduction in harbor fees for the first year of operation for any company operating an inter-island ferry vessel.

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