
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Chapter 243, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§243- Aviation fuel tax credit for interisland airplane
5 carriers. (a) There shall be allowed to each interisland
6 airplane carrier an aviation fuel tax credit for the amount paid
7 by the interisland airplane carrier representing fuel taxes
8 passed on to the interisland airplane carrier by a distributor,
9 not exceeding \$ _____ in any taxable year. The tax credit
10 under this section shall be deducted from the taxpayer's net
11 income tax liability, if any, imposed by chapter 235 for the
12 taxable year in which the credit is properly claimed.

13 (b) If the tax credit under this section exceeds the
14 taxpayer's income tax liability under chapter 235, the excess of
15 credits over liability shall be refunded to the taxpayer;
16 provided that no refunds or payment on account of the tax
17 credits allowed by this section shall be made for amounts less
18 than \$1. All claims, including any amended claims, for tax



1 credits under this section shall be filed on or before the end
2 of the twelfth month following the close of the taxable year for
3 which the credit may be claimed. Failure to properly claim the
4 credit shall constitute a waiver of the right to claim the
5 credit.

6 (c) The director of taxation shall prepare any forms
7 necessary to claim a credit under this section. The director
8 may also require the taxpayer to furnish reasonable information
9 to ascertain the validity of the claim for credit made under
10 this section and may adopt rules necessary to effectuate the
11 purposes of this section pursuant to chapter 91.

12 (d) For purposes of this section:

13 "Interisland airplane carrier" means a business, person, or
14 entity that owns or operates one or more airplanes to transport
15 or convey baggage, passengers, or goods between the islands of
16 this State for a fee.

17 "Net income tax liability" means net income tax liability
18 reduced by all other credits allowed by law."

19 SECTION 2. New statutory material is underscored.

20 SECTION 3. This Act shall take effect on July 1, 2050, and
21 apply to taxable years beginning after December 31, 2011.



Report Title:

Aviation Fuel Tax Credit

Description:

Creates an aviation fuel tax credit for aviation fuel taxes passed on to interisland airplane carriers that transport people and goods between the islands of this State. Effective 7/1/2050. (SD2)

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