
A BILL FOR AN ACT

RELATING TO PUBLIC TRANSPORTATION INCENTIVES.

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

1 SECTION 1. The legislature finds that a robust public
2 transportation system is a critical component of overtaxed
3 public transportation infrastructure. The biggest barrier to
4 increasing the usage of public transportation is that those most
5 likely to use public transportation are those who can least
6 afford it. The legislature also finds that increased usage of
7 public transportation has the additional benefits of reduced
8 highway maintenance costs, air pollution, and energy
9 consumption. The legislature believes that the ancillary
10 benefits of a robust public transportation system will reduce
11 our carbon footprint and make strides toward environmental
12 sustainability for the entire State.

13 The purpose of this Act is to establish an income tax
14 credit for taxpayers who purchase bus passes or passes for a
15 public transportation program.

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



1 "§235- Public transportation tax credit. (a) There
2 shall be allowed to each taxpayer subject to the tax imposed by
3 this chapter, an income tax credit that shall be deductible from
4 the taxpayer's net income tax liability imposed by this chapter,
5 if any, for the taxable year in which the credit is properly
6 claimed.

7 (b) The amount of the tax credit shall be equal to the
8 amount spent by the taxpayer to purchase public transportation
9 passes during the taxable year; provided that the total amount
10 of any tax credit allowed under this section shall not exceed:

11 (1) \$ per individual taxpayer; or

12 (2) \$ per participating employee if the taxpayer
13 purchases the public transportation passes for use by
14 the taxpayer's employees.

15 (c) For the purposes of this section, "public
16 transportation passes" means:

17 (1) Monthly or annual bus passes; or

18 (2) Monthly or annual passes for a public transportation
19 program operated or contracted by the State or a
20 county.

21 (d) The director of taxation shall prepare any forms that
22 may be necessary to claim a tax credit under this section. The



H.B. NO. 2064

Report Title:

Public Transportation Tax Credit

Description:

Establishes an income tax credit for taxpayers who purchase bus passes or passes for a public transportation program.

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