
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 robust usage of
2 public transportation systems is critical to relieve the State's
3 overtaxed 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) Each
2 resident individual or joint taxpayer, with an adjusted gross
3 income of \$100,000 or less, who files an income tax return for a
4 taxable year, and who is not claimed or is not otherwise
5 eligible to be claimed as a dependent by another taxpayer for
6 federal or Hawaii state individual income tax purposes, may
7 claim a public transportation tax credit against the resident
8 taxpayer's individual income tax liability for the taxable year
9 for which the individual income tax return is being filed.

10 (b) The public transportation tax credit shall be equal to
11 the amount spent by the taxpayer to purchase public
12 transportation passes during the taxable year, multiplied by the
13 number of qualified exemptions to which the taxpayer is
14 entitled; provided that a married couple filing separate tax
15 returns for a taxable year for which a joint return could have
16 been filed by them shall claim only the tax credit to which they
17 would have been entitled had a joint return been filed.

18 (c) The director of taxation shall prepare any forms that
19 may be necessary to claim a tax credit under this section. The
20 director may also require the taxpayer to furnish reasonable
21 information to ascertain the validity of the claim for credit



1 made under this section and may adopt rules necessary to
2 effectuate the purposes of this section pursuant to chapter 91.

3 (d) All claims for the tax credit under this section,
4 including amended claims, shall be filed on or before the end of
5 the twelfth month following the close of the taxable year for
6 which the credit may be claimed. Failure to comply with this
7 subsection shall constitute a waiver of the right to claim the
8 credit.

9 (e) As used in this section:

10 "Adjusted gross income" means adjusted gross income as
11 defined by the Internal Revenue Code.

12 "Public transportation passes" means:

13 (1) Monthly or annual bus passes; or

14 (2) Monthly or annual passes for a public transportation
15 program operated or contracted by the State or a
16 county.

17 "Qualified exemption" includes those exemptions permitted
18 under this chapter; provided that:

19 (1) No additional exemption may be claimed by a taxpayer
20 who is sixty-five years of age or older; and



1 (2) A person for whom exemption is claimed has physically
2 resided in the State for more than nine months during
3 the taxable year."

4 SECTION 3. New statutory material is underscored.

5 SECTION 4. This Act shall take effect on July 1, 2020, and
6 shall apply to taxable years beginning after December 31, 2014.



Report Title:

Public Transportation Tax Credit

Description:

Establishes an income tax credit for taxpayers with an adjusted gross income of \$100,000 or less who purchase bus passes or passes for a public transportation program. Effective July 1, 2020. (HB2064 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

