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# A BILL FOR AN ACT

RELATING TO TAX CREDITS.

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

1 SECTION 1. Section 235-110.93, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) There shall be allowed to each taxpayer an important  
4 agricultural land qualified agricultural cost tax credit that  
5 may be claimed in taxable years beginning after the taxable year  
6 during which the tax credit under section 235-110.46 is  
7 repealed, exhausted, or expired. The credit shall be deductible  
8 from the taxpayer's net income tax liability, if any, imposed by  
9 this chapter for the taxable year in which the credit is  
10 properly claimed. The tax credit amount shall be determined as  
11 follows:

- 12 (1) In the first year in which the credit is claimed,  
13 [~~twenty-five per cent of~~] the lesser of the following:  
14 (A) [The] Twenty-five per cent of the qualified  
15 agricultural costs incurred by the taxpayer after  
16 July 1, 2008; or  
17 (B) \$625,000;



- 1 (2) In the second year in which the credit is claimed,  
2 [~~fifteen per cent of~~] the lesser of the following:  
3 (A) [~~The~~] Fifteen per cent of the qualified  
4 agricultural costs incurred by the taxpayer after  
5 July 1, 2008; or  
6 (B) \$250,000; and
- 7 (3) In the third year in which the credit is claimed, [~~ten~~  
8 ~~per cent of~~] the lesser of the following:  
9 (A) [~~The~~] Ten per cent of the qualified agricultural  
10 costs incurred by the taxpayer after July 1,  
11 2008; or  
12 (B) \$125,000.

13 The taxpayer may incur qualified agricultural costs during a  
14 taxable year in anticipation of claiming the credit in future  
15 taxable years during which the credit is available. The  
16 taxpayer may claim the credit in any taxable year after the  
17 taxable year during which the taxpayer incurred the qualified  
18 agricultural costs upon which the credit is claimed. The  
19 taxpayer also may claim the credit in consecutive or  
20 inconsecutive taxable years until exhausted."

21 SECTION 2. Taxpayers who have filed important agricultural  
22 land qualified agricultural cost tax credit claims for taxable



1 years ending prior to January 1, 2014, shall be entitled to  
2 claim the additional tax credits as authorized by this Act;  
3 provided that the cumulative amount of important agricultural  
4 land qualified agricultural cost tax credits claimed by each  
5 taxpayer shall not exceed the maximum amount of tax credits  
6 allowed to each taxpayer in section 1.

7 SECTION 3. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9 SECTION 4. This Act shall take effect on July 1, 2050.



**Report Title:**

Important Agricultural Land Qualified Agricultural Cost Tax  
Credit

**Description:**

Clarifies the amount of the important agricultural land  
qualified agricultural cost tax credit. Effective 7/1/2050.  
(SD1)

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not legislation or evidence of legislative intent.*

