
A BILL FOR AN ACT

RELATING TO TAXATION.

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- Residential property owner tax credit. (a)

5 There shall be allowed to each qualified taxpayer subject to the
6 tax imposed under this chapter, a residential property owner tax
7 credit that shall be deductible from the taxpayer's net income
8 tax liability, if any, imposed by this chapter for the taxable
9 year in which the credit is properly claimed.

10 (b) In the case of a partnership, S corporation, estate,
11 or trust, the tax credit allowable is for qualified expenses
12 incurred by the entity for the taxable year. The expenses upon
13 which the tax credit is computed shall be determined at the
14 entity level. Distribution and share of credit shall be
15 determined by rule.



1 (c) The residential property owner tax credit shall be
2 equal to \$ multiplied by the number of the taxpayer's
3 qualified exemptions.

4 (d) The director of taxation:

5 (1) Shall prepare any forms that may be necessary to claim
6 a tax credit under this section;

7 (2) May require the taxpayer to furnish reasonable
8 information to ascertain the validity of the claim for
9 the tax credit made under this section; and

10 (3) May adopt rules under chapter 91 necessary to
11 effectuate the purposes of this section.

12 (e) If the tax credit claimed by a qualified taxpayer
13 exceeds the amount of income tax payment due from the qualified
14 taxpayer, the excess of the credit over payments due shall be
15 refunded to the qualified taxpayer; provided that tax credit
16 properly claimed by a qualified individual who has no income tax
17 liability shall be paid to the qualified individual; and
18 provided further that no refunds or payment on account of the
19 tax credit allowed by this section shall be made for amounts
20 less than \$1.



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

7 (f) As used in this section, "qualified taxpayer" means a
8 resident individual taxpayer who:

- 9 (1) Pays real property taxes to a county of the State for
10 the taxpayer's residence during the taxable year;
11 (2) Is not claimed or is not otherwise eligible to be
12 claimed as a dependent by another taxpayer for federal
13 or Hawaii state individual income tax purposes; and
14 (3) Has been a resident of the State, as defined in
15 section 235-1, for at least nine months regardless of
16 whether the qualified resident was physically in the
17 State for nine months.

18 Upon request, each county shall provide the department of
19 taxation with any information necessary to determine if a
20 taxpayer fulfills the foregoing requirements."



1 SECTION 2. Section 237D-6.5, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) Revenues collected under this chapter shall be
4 distributed in the following priority, with the excess revenues
5 to be deposited into the general fund:

6 (1) \$1,500,000 shall be allocated to the Turtle Bay
7 conservation easement special fund beginning July 1,
8 2015, for the reimbursement to the state general fund
9 of debt service on reimbursable general obligation
10 bonds, including ongoing expenses related to the
11 issuance of the bonds, the proceeds of which were used
12 to acquire the conservation easement and other real
13 property interests in Turtle Bay, Oahu, for the
14 protection, preservation, and enhancement of natural
15 resources important to the State, until the bonds are
16 fully amortized;

17 (2) \$26,500,000 shall be allocated to the convention
18 center enterprise special fund established under
19 section 201B-8;

20 (3) \$82,000,000 shall be allocated to the tourism special
21 fund established under section 201B-11; provided that:



- 1 (A) Beginning on July 1, 2012, and ending on June 30,
2 2015, \$2,000,000 shall be expended from the
3 tourism special fund for development and
4 implementation of initiatives to take advantage
5 of expanded visa programs and increased travel
6 opportunities for international visitors to
7 Hawaii;
- 8 (B) Of the \$82,000,000 allocated:
- 9 (i) \$1,000,000 shall be allocated for the
10 operation of a Hawaiian center and the
11 museum of Hawaiian music and dance at the
12 Hawaii convention center; and
- 13 (ii) 0.5 per cent of the \$82,000,000 shall be
14 transferred to a sub-account in the tourism
15 special fund to provide funding for a safety
16 and security budget, in accordance with the
17 Hawaii tourism strategic plan 2005-2015; and
- 18 (C) Of the revenues remaining in the tourism special
19 fund after revenues have been deposited as
20 provided in this paragraph and except for any sum
21 authorized by the legislature for expenditure



1 from revenues subject to this paragraph,
2 beginning July 1, 2007, funds shall be deposited
3 into the tourism emergency special fund,
4 established in section 201B-10, in a manner
5 sufficient to maintain a fund balance of
6 \$5,000,000 in the tourism emergency special fund;

7 (4) \$103,000,000 for fiscal year 2014-2015, \$103,000,000
8 for fiscal year 2015-2016, \$103,000,000 for fiscal
9 year 2016-2017, and \$93,000,000 for each fiscal year
10 thereafter shall be allocated as follows: Kauai
11 county shall receive 14.5 per cent, Hawaii county
12 shall receive 18.6 per cent, city and county of
13 Honolulu shall receive 44.1 per cent, and Maui county
14 shall receive 22.8 per cent; provided that commencing
15 with fiscal year 2018-2019~~[, a]~~:

16 (A) A sum that represents the difference between a
17 county public employer's annual required
18 contribution for the separate trust fund
19 established under section 87A-42 and the amount
20 of the county public employer's contributions
21 into that trust fund shall be retained by the



1 state director of finance and deposited to the
2 credit of the county public employer's annual
3 required contribution into that trust fund in
4 each fiscal year, as provided in section 87A-42,
5 if the respective county fails to remit the total
6 amount of the county's required annual
7 contributions, as required under section 87A-43;
8 and

9 (B) _____ per cent of the remaining balance shall
10 be retained by the state director of finance and
11 deposited into a special account in the general
12 fund to be used for the payment of tax credits
13 authorized under section 235- _____ ; and

14 (5) \$3,000,000 shall be allocated to the special land and
15 development fund established under section 171-19;
16 provided that the allocation shall be expended in
17 accordance with the Hawaii tourism authority strategic
18 plan for:

19 (A) The protection, preservation, maintenance, and
20 enhancement of natural resources, including
21 beaches, important to the visitor industry;



1 (B) Planning, construction, and repair of facilities;
2 and

3 (C) Operation and maintenance costs of public lands,
4 including beaches, connected with enhancing the
5 visitor experience.

6 All transient accommodations taxes shall be paid into the
7 state treasury each month within ten days after collection and
8 shall be kept by the state director of finance in special
9 accounts for distribution as provided in this subsection.

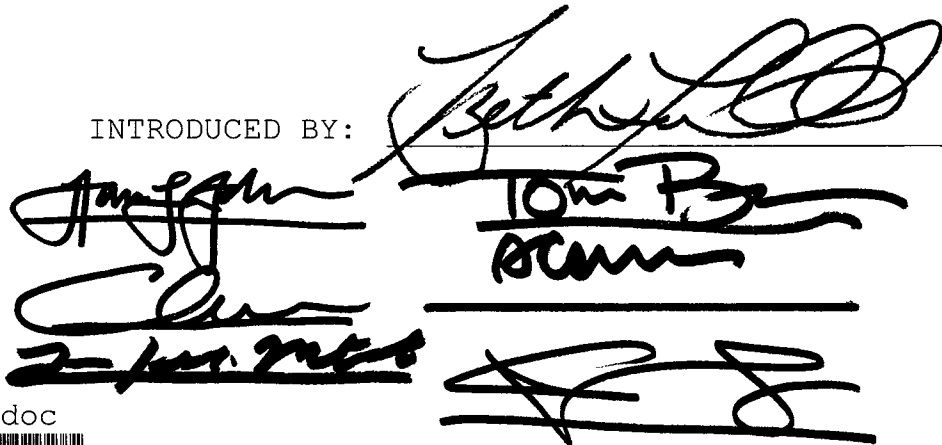
10 As used in this subsection, "fiscal year" means the twelve-
11 month period beginning on July 1 of a calendar year and ending
12 on June 30 of the following calendar year."

13 SECTION 3. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 4. This Act shall take effect upon its approval;
16 provided that section 1 shall apply to taxable years beginning
17 after December 31, 2017.

18

INTRODUCED BY:

A collection of handwritten signatures in black ink, arranged in two columns. The top signature is the largest and most prominent, followed by several smaller signatures below it. The signatures are written over horizontal lines.



H.B. NO. 1548

Report Title:

Taxation; Transient Accommodations Tax; Counties; Income Tax Credit

Description:

Retains an unspecified portion of the county allocation of transient accommodations tax revenues to fund an income tax credit for residential property owners in the State.

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

