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



1 SECTION 2. 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- Public transportation tax credit. (a) Each
5 resident individual or joint taxpayer, with an adjusted gross
6 income of \$100,000 or less, who files an income tax return for a
7 taxable year, and who is not claimed or is not otherwise
8 eligible to be claimed as a dependent by another taxpayer for
9 federal or Hawaii state individual income tax purposes, may
10 claim a public transportation tax credit against the resident
11 taxpayer's individual income tax liability for the taxable year
12 for which the individual income tax return is being filed.

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



1 (c) The director of taxation shall prepare any forms that
2 may be necessary to claim a tax credit under this section. The
3 director may also require the taxpayer to furnish reasonable
4 information to ascertain the validity of the claim for credit
5 made under this section and may adopt rules necessary to
6 effectuate the purposes of this section pursuant to chapter 91.

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

13 (e) As used in this section:

14 "Adjusted gross income" means adjusted gross income as
15 defined by the Internal Revenue Code.

16 "Public 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.



1 "Qualified exemption" includes those exemptions permitted
2 under this chapter; provided that:

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

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

8 SECTION 3. New statutory material is underscored.

9 SECTION 4. This Act, upon its approval, shall apply to
10 taxable years beginning after December 31, 2016.
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H.B. NO. 721

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.

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