

JAN 19 2018

A BILL FOR AN ACT

RELATING TO NATIVE PLANTS.

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

1 SECTION 1. The legislature finds that many native plant
2 species are at risk of extinction. The legislature further
3 finds that native plants sequester carbon, reduce erosion,
4 reestablish habitat for endangered species, mitigate threat of
5 wildfire by removing fire-adapted invasive plants, and provide
6 cultural benefits. The purpose of this Act is to promote these
7 benefits by encouraging taxpayers to engage in reforestation
8 using plants native to Hawaii.

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

12 "§235- Native plant reforestation tax credit. (a)
13 There shall be allowed to each individual taxpayer subject to
14 the tax imposed by this chapter a native plant reforestation tax
15 credit that shall be deductible against the taxpayer's net
16 income tax liability, if any, imposed by this chapter for the
17 taxable year in which the credit is properly claimed.



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1 (b) In the case of a partnership, S corporation, estate,
2 or trust, the tax credit allowable is for qualified expenses
3 incurred by the entity for the taxable year. The expenses upon
4 which the tax credit is computed shall be determined at the
5 entity level. Distribution and share of credit shall be
6 pursuant to section 704(b) of the Internal Revenue Code.

7 (c) The native plant reforestation tax credit shall be
8 equal to the lesser of \$ _____, or _____ per cent of the
9 qualified expenses of the taxpayer in reforestation using native
10 plants, as certified by the department of land and natural
11 resources pursuant to subsection (e). The native plant
12 reforestation tax credit shall be available only for the taxable
13 year in which the taxpayer's qualified expenses are certified by
14 the appropriate government agency.

15 (d) The total amount of tax credits allowed under this
16 section shall not exceed \$ _____ for all taxpayers in any
17 taxable year; provided that any taxpayer who is not eligible to
18 claim the credit in a taxable year due to the \$ _____ cap
19 having been met for that taxable year shall be eligible to claim
20 the credit in the subsequent taxable year.

21 (e) The department of land and natural resources shall:



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- 1 (1) Certify all qualified reforestation using native
2 plants for the purposes of this section;
- 3 (2) Collect and maintain a record of all qualified
4 expenses certified by an appropriate government agency
5 for the taxable year; and
- 6 (3) Certify to each taxpayer the amount of credit the
7 taxpayer may claim; provided that if, in any year, the
8 annual amount of certified credits reaches \$
9 in the aggregate, the department of land and natural
10 resources shall immediately discontinue certifying
11 credits and notify the department of taxation.

12 The chairperson of the board of land and natural resources may
13 adopt rules under chapter 91 as necessary to implement the
14 certification requirements under this section.

15 (f) The director of taxation:

- 16 (1) Shall prepare any forms that may be necessary to claim
17 a tax credit under this section;
- 18 (2) May require the taxpayer to furnish reasonable
19 information to ascertain the validity of the claim for
20 the tax credit made under this section; and



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

3 (g) If the tax credit under this section exceeds the
4 taxpayer's income tax liability, the excess of the credit over
5 liability may be used as a credit against the taxpayer's income
6 tax liability in subsequent years until exhausted. All claims
7 for the tax credit under this section, including amended claims,
8 shall be filed on or before the end of the twelfth month
9 following the close of the taxable year for which the credit may
10 be claimed. Failure to comply with the foregoing provision
11 shall constitute a waiver of the right to claim the credit.

12 (h) For purposes of this section:

13 "Native plants" means any plants that are indigenous or
14 endemic to Hawaii.

15 "Qualified expenses" means costs that are necessary and
16 directly incurred by the taxpayer for reforestation using native
17 plants, and that are certified as such by the appropriate
18 government agency."

19 SECTION 3. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$ or so



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1 much thereof as may be necessary for fiscal year 2018-2019 for
2 reforestation using native plants on state and county lands.

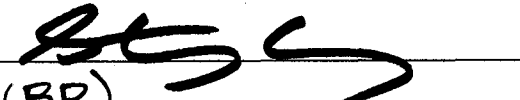
3 The sum appropriated shall be expended by the department of
4 land and natural resources for the purposes of this Act.

5 SECTION 4. New statutory material is underscored.

6 SECTION 5. This Act, upon its approval, shall apply to
7 taxable years beginning after December 31, 2018.

8

INTRODUCED BY:


(BR)



S.B. NO. 2252

Report Title:

Native Plants; Reforestation; Tax Credit; Appropriation

Description:

Creates a tax credit for taxpayers who engage in reforestation using native plants. Appropriates funds for reforestation using native plants on state and county lands.

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

