
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The purpose of this Act is to provide a
2 temporary, refundable income tax credit to owners of real
3 property for albizia tree trimming or removal performed under
4 certain conditions.

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

8 "§235- **Albizia tree trimming or removal; income tax**
9 **credit.** (a) There shall be allowed to each eligible taxpayer
10 subject to the taxes imposed by this chapter, an income tax
11 credit, which shall be deductible from the eligible taxpayer's
12 net income tax liability, if any, imposed by this chapter for
13 the taxable year in which the credit is properly claimed.

14 The amount of the credit shall be per cent of the
15 qualifying costs incurred and paid by the eligible taxpayer
16 during the taxable year for albizia tree trimming or removal;
17 provided that the credit shall not exceed \$ per taxpayer



H.B. NO. 571

1 in a taxable year. No taxpayer who claims a credit under this
2 section shall claim any other credit for the same qualifying
3 costs.

4 In the case of a partnership, S corporation, estate, or
5 trust, the tax credit allowable is for qualifying costs incurred
6 and paid by the entity for the taxable year. The cost upon
7 which the tax credit is computed shall be determined at the
8 entity level. Distribution and share of credit shall be
9 determined pursuant to section 235-110.7(a).

10 (b) The credit allowed under this section shall be claimed
11 against the net income tax liability for the taxable year.

12 (c) If the tax credit under this section exceeds the
13 taxpayer's income tax liability, the excess of credits over
14 liability shall be refunded to the taxpayer; provided that no
15 refunds or payment on account of the tax credit under this
16 section shall be made for amounts less than \$1. All claims,
17 including any amended claims, for a tax credit under this
18 section shall be filed on or before the end of the twelfth month
19 following the close of the taxable year for which the credit may
20 be claimed. Failure to comply with the foregoing provision
21 shall constitute a waiver of the right to claim the credit.



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

7 (e) The credit allowed under this section shall be
8 available for taxable years beginning after December 31, 2019,
9 and shall not be available for taxable years beginning after
10 December 31, 2021.

11 (f) As used in this section:

12 "Eligible taxpayer" means a taxpayer who:

13 (1) Owns real property in the State, on which there is an
14 albizia tree or trees; and

15 (2) Is not claimed or is not otherwise eligible to be
16 claimed as a dependent by another taxpayer for Hawaii
17 state income tax purposes.

18 "Net income tax liability" means net income tax liability
19 reduced by all other credits allowed under this chapter.

20 "Qualifying costs" means any cost incurred and paid by the
21 taxpayer after December 31, 2019, for the trimming or removal of



H.B. NO. 571

1 any albizia tree or trees located on the taxpayer's property;
 2 provided that the trimming or removal is performed by a
 3 certified arborist who is currently insured and bonded and who
 4 meets all applicable licensing requirements of the State, or by
 5 a tree trimming or landscaping entity that is currently insured
 6 and bonded and that meets all applicable licensing requirements
 7 of the State, and whose staff includes a certified arborist."

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, 2019, and shall be
 11 repealed on January 1, 2022.

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H.B. NO. 571

Report Title:

Invasive Species; Albizia Trees; Income Tax Credit

Description:

Provides a temporary, refundable tax credit to owners of real property for albizia tree trimming or removal performed under certain conditions. Applies to taxable years beginning after 12/31/2019, but shall not be available for taxable years beginning after 12/31/2021.

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