

DAVID Y. IGE  
GOVERNOR OF  
HAWAII



**DEPT. COMM. NO. 15**

SUZANNE D. CASE  
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COMMISSION ON WATER RESOURCE MANAGEMENT

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ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

December 2, 2020

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Thirty-First State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker  
and Members of the House of  
Representatives  
Thirty-First State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Historic Preservation Income Tax Credit For Fiscal Year 2019-2020 report, in response to Section 235-110.97(l), Hawaii Revised Statutes. In accordance with Section 93-16, HRS, a copy of this report has been transmitted to the Legislative Reference Bureau and the report may be viewed electronically at <https://files.hawaii.gov/dlnr/reports-to-the-legislature/2021/HP21-Historic-Preservation-Tax-Credit-Report-FY20.pdf>.

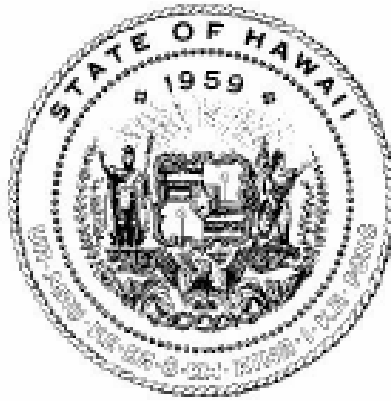
Sincerely,

A handwritten signature in black ink that reads "Suzanne D. Case".

SUZANNE D. CASE  
Chairperson

Enclosure

REPORT TO THE THIRTY-FIRST LEGISLATURE  
2021 REGULAR SESSION  
ON  
THE HISTORIC PRESERVATION INCOME TAX CREDIT  
FOR FISCAL YEAR 2019-2020



PREPARED BY:  
STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES

IN RESPONSE TO:  
SECTION 235-110.97(l), HAWAII REVISED STATUTES,  
HONOLULU, HAWAII

DECEMBER 2020

## THE HISTORIC PRESERVATION INCOME TAX CREDIT FOR FISCAL YEAR 2019-2020

### BACKGROUND

Chapter 235, Hawaii Revised Statutes, was amended by Act 267, Session Laws of Hawaii 2019, adding a new section to be appropriately designated as “§235- Historic preservation income tax credit...” to allow to each taxpayer subject to the tax imposed by this chapter a historic preservation income tax credit for substantial rehabilitation of a certified historic structure that shall be deductible from the taxpayer’s net income tax liability, if any, imposed by this chapter for the taxable year in which the tax credit is properly claimed.

### ACCOMPLISHMENTS

During Fiscal Year (FY) 2018-2019, the Department of Land and Natural Resources’ State Historic Preservation Division (SHPD) developed an initial working draft of the Historic Preservation Income Tax Credit for internal review and in preparation for submittal under formal review and approval of the administrative rule making process. Furthermore, it is anticipated that it will take approximately 24 to 30 months before the formal review, including public meetings and subsequent revisions, conclude with final approval and acceptance.

During FY 2019-2020, SHPD continued to work completing a final draft of the Historic Preservation Income Tax Credit for submittal under the administrative rule making process for formal review and approval

### FUTURE PROGRAMS

During FY 2020-2021 SHPD will continue to work completing a final draft of the Historic Preservation Income Tax Credit for submittal under the administrative rule making process for formal review and approval. It is anticipated to work with the State Department of Taxation to coordinate our two processes and procedures, so they are analogous.