

JAN 21 2022

A BILL FOR AN ACT

RELATING TO TAX CREDITS.

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

SECTION 1. The purpose of this Act is to require that new income tax credits include a five-year sunset or a gradual reduction over a three-year period.

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

"§235- Tax credits; generally. Any income tax credit established or renewed under this chapter after December 31, 2022, shall include either:

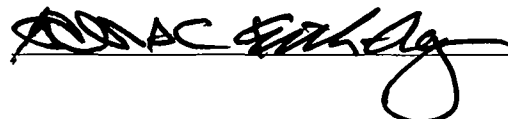
(1) A five-year sunset date; or

(2) Beginning with the sixth year of the credit, an annual one-third reduction in the credit amount allowed to be claimed, over a three-year period."

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2022.

INTRODUCED BY:



S.B. NO. 2337

Report Title:

Income Tax Credits; Sunset; Annual Reduction

Description:

Requires that new income tax credits established or renewed after 12/31/2022 include a five-year sunset or an annual one-third reduction.

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