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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1           SECTION 1. The legislature finds that, although the State  
2 implemented a regulatory framework for peer-to-peer car-sharing  
3 programs through the enactment of Act 77, Session Laws of Hawaii  
4 2022, persons offering vehicles for rent through peer-to-peer  
5 car-sharing programs have caused significant parking disruptions  
6 in many neighborhoods. In many of these instances, a person  
7 operates out of a residential home with multiple vehicles,  
8 sometimes numbering in the teens, that are available to rent  
9 through the peer-to-peer car-sharing program. However, since  
10 the person is operating out of a residential home, many of the  
11 vehicles cannot be accommodated on the residential property,  
12 which results in the excess vehicles taking up valuable parking  
13 spaces on the neighborhood streets. To address this issue, the  
14 legislature finds that many vehicles for rent through a peer-to-  
15 peer car-sharing program may be relocated if owners of  
16 commercial properties are properly incentivized to allocate  
17 dedicated space for these vehicles.



1           Accordingly, the purpose of this Act is to establish an  
2 income tax credit for owners of commercial properties that  
3 provide designated parking spaces for vehicles available for  
4 rent through a peer-to-peer car-sharing program.

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-           Peer-to-peer car-sharing parking tax credit.

9           (a) There shall be allowed to each taxpayer subject to the  
10 taxes imposed by this chapter, a nonrefundable income tax credit  
11 that shall be deductible from the taxpayer's net income tax  
12 liability, if any, imposed by this chapter for the taxable year  
13 in which the credit is properly claimed. The amount of the  
14 credit shall be \$                   for each parking space that is  
15 within a parking lot on the commercial property owned by the  
16 taxpayer and that is solely designated for use by a peer-to-peer  
17 car-sharing platform pursuant to a written agreement.

18           (b) In the case of a partnership, S corporation, estate,  
19 or trust, the tax credit allowable is for every designated  
20 parking space by the entity. The cost upon which the tax credit  
21 is computed shall be determined at the entity level.



1 Distribution and share of credit shall be determined pursuant to  
2 administrative rule.

3 (c) If the tax credit under this section exceeds the  
4 taxpayer's income tax liability, the excess of the tax credit  
5 over liability may be used as a credit against the taxpayer's  
6 net income tax liability in subsequent years until exhausted.

7 (d) The director of taxation shall prepare such forms as  
8 may be necessary to claim a credit under this section, may  
9 require proof of the claim for the tax credit, and may adopt  
10 rules pursuant to chapter 91.

11 (e) All of the provisions relating to assessments and  
12 refunds under this chapter and under section 231-23(c) (1) shall  
13 apply to the tax credit under this section.

14 (f) Claims for the tax credit under this section,  
15 including any amended claims, shall be filed on or before the  
16 end of the twelfth month following the taxable year for which  
17 the credit may be claimed.

18 (g) For purposes of this section, "peer-to-peer car-  
19 sharing platform" has the same meaning as in section 279L-1."

20 SECTION 3. New statutory material is underscored.



1 SECTION 4. This Act shall take effect on July 1, 3000, and  
2 shall apply to taxable years beginning after December 31, 2022.



**Report Title:**

Taxation; Credit; Income Tax; Peer-to-Peer Car Sharing

**Description:**

Establishes a nonrefundable tax credit for commercial property owners that make available parking spaces within the owners' parking lots for use by peer-to-peer car-sharing platforms. Applies to taxable years after 12/31/2022. Effective 7/1/3000. (HD1)

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

