
A BILL FOR AN ACT

RELATING TO CORPORATE INCOME TAX.

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

1 SECTION 1. The purpose of this act is to repeal the
2 corporate income tax in the state of Hawaii. Corporate taxes
3 burden the growth, development, and expansion of industry. Local
4 businesses pay taxes on nearly all business related transactions
5 including purchases, sales, payroll, and real estate taxes.
6 Relief from corporate tax liability will pass down to consumers,
7 lowering the costs of goods, services and ultimately the cost of
8 living.

9 According to the Department of Taxation 2019 report (pre
10 COVID fluctuations), the fiscal impact to the general fund tax
11 revenue is an estimated \$163,700,000 annually (FY 2019). This
12 represents just 2.0 per cent of total tax collections for the
13 State. This tax reduction will be offset by the creation of new
14 jobs, increased manufacturing and increase in consumer spending.
15 This bill has immense potential to invigorate the State's
16 economic future and send a clear message that Hawaii is open for
17 business.



1 SECTION 2. Chapter 235, part IV, Hawaii Revised Statutes,
2 is repealed.

3 SECTION 3. Chapter 235, part VII, Hawaii Revised Statutes,
4 is repealed.

5 SECTION 4. This Act, upon its approval, shall apply to
6 taxable years beginning after December 31, 2023.

7

INTRODUCED BY: _____



JAN 23 2023



H.B. NO. 857

Report Title:

Corporate Income Tax Repeal

Description:

Repeals the Corporate Income Tax Statutes as a means of encouraging business investment and growth in the State.

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HB HMIA 2023-39-07

