



GOV. MSG. NO. 1240

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

July 1, 2024

The Honorable Ronald D. Kouchi
President of the Senate,
and Members of the Senate
Thirty-Second State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki
Speaker, and Members of the
House of Representatives
Thirty-Second State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

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

This is to inform you that on July 1, 2024, the following bill was signed into law:

SB2497 SD2 HD1 CD1

RELATING TO TAXATION.
ACT 139

Sincerely,

Josh Green, M.D.
Governor, State of Hawai'i

on JUL 1 2024

ACT 139

THE SENATE
THIRTY-SECOND LEGISLATURE, 2024
STATE OF HAWAII

S.B. NO. 2497
S.D. 2
H.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 235-110.91, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending subsection (b) to read:

4 "(b) All references to Internal Revenue Code sections
5 within sections 41 and 280C(c) of the Internal Revenue Code
6 shall be operative for purposes of this section[~~, provided that~~
7 ~~references to the base amount in section 41 of the Internal~~
8 ~~Revenue Code shall not apply, and credit for all qualified~~
9 ~~research expenses may be taken without regard to the amount of~~
10 ~~expenses for previous years] ."~~

11 2. By amending subsections (n) and (o) to read:

12 "(n) This section shall not apply to taxable years
13 beginning after December 31, [~~2024-~~] 2029.

14 (o) As used in this section:

15 "Qualified high technology business" [~~shall have the same~~
16 ~~meaning as in section 235-7.3(e).~~] means a small business that
17 conducts more than fifty per cent of its activities in qualified



1 research in the State and is registered to do business in the
2 State.

3 "Qualified research" shall have the same meaning as in
4 section 41(d) of the Internal Revenue Code.

5 "Qualified research expenses" shall have the same meaning
6 as in section 41(b) of the Internal Revenue Code; provided that
7 it shall not include research expenses incurred outside of the
8 State.

9 "Small business" means a company with no more than five
10 hundred employees."

11 SECTION 2. Act 261, Session Laws of Hawaii 2019, is
12 amended by amending section 5 to read as follows:

13 "SECTION 5. This Act shall take effect upon its approval;
14 provided that:

15 (1) Section 2 shall apply to taxable years beginning after
16 December 31, 2019; and

17 (2) Part II shall take effect on [~~December 31, 2024.~~]
18 January 1, 2030."

19 SECTION 3. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.



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



S.B. NO.

2497
S.D. 2
H.D. 1
C.D. 1

APPROVED this **1st** day of **July**, 2024

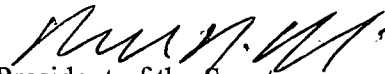
A handwritten signature in black ink, appearing to read "Josh Green". The signature is written in a cursive style with a large initial "J".

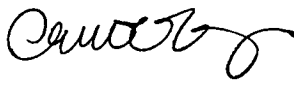
GOVERNOR OF THE STATE OF HAWAII

THE SENATE OF THE STATE OF HAWAI'I

Date: May 1, 2024
Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-Second Legislature of the State of Hawai'i, Regular Session of 2024.


President of the Senate


Clerk of the Senate

SB No. 2497, SD 2, HD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 1, 2024
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Second Legislature of the State of Hawaii, Regular Session of 2024.



Scott K. Saiki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives