
A BILL FOR AN ACT

RELATING TO NATIVE PLANT SPECIES.

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

1 SECTION 1. The legislature finds that Hawaii is in the
2 midst of a biodiversity crisis. Due to rapid changes in land
3 use over the past century, many species native to Hawaii are
4 facing extinction in the near future. While our system of parks
5 and nature preserves have made powerful strides in conserving
6 biodiversity, more action is needed. The legislature also finds
7 that private landowners are entrusted with stewardship of our
8 islands and bear a responsibility to ensure that their natural
9 beauty is preserved for the next generation.

10 Accordingly, the purpose of this Act is to help landowners
11 fulfill their responsibility by establishing an income tax
12 credit for taxpayers who engage in preservation efforts using
13 native plants.

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



1 "§235- Native plant preservation tax credit. (a)

2 There shall be allowed to each taxpayer subject to the tax
3 imposed under this chapter, a native plant preservation tax
4 credit that shall be deductible from the taxpayer's net income
5 tax liability, if any, imposed by this chapter for the taxable
6 year in which the credit is properly claimed.

7 (b) In the case of a partnership, S corporation, estate,
8 or trust, the tax credit shall be determined at the entity
9 level. Distribution and share of credit shall be determined by
10 rule.

11 (c) The native plant preservation tax credit shall be
12 equal to \$1,000 multiplied by the percentage of the taxpayer's
13 land that is occupied by native plants, as certified by the
14 department of land and natural resources; provided that no
15 credit shall be allowed under this section if the percentage of
16 a taxpayer's land that is occupied by native plants is less than
17 twenty per cent.

18 (d) The total amount of tax credits allowed under this
19 section shall not exceed \$2,000,000 for all qualified taxpayers
20 in any taxable year; provided that any taxpayer who is not
21 eligible to claim the credit in a taxable year due to the

1 \$2,000,000 cap being met for that taxable year shall be eligible
2 to claim the credit in the subsequent taxable year.

3 (e) The department of land and natural resources shall:

4 (1) Maintain records of the names and addresses of the
5 taxpayers claiming the credits under this section;

6 (2) Verify the percentage of a taxpayer's land that is
7 occupied by native plants;

8 (3) Certify all qualified use of native plants for the
9 purposes of this section; and

10 (4) Certify to each taxpayer the amount of credit the
11 taxpayer may claim.

12 The department of land and natural resources may assess and
13 collect a fee to offset the costs of certifying tax credit
14 claims under this section.

15 (f) The director of taxation:

16 (1) Shall prepare any forms that may be necessary to claim
17 a tax credit under this section;

18 (2) May require the taxpayer to furnish reasonable
19 information to ascertain the validity of the claim for
20 the tax credit made under this section; and



1 (3) May adopt rules under chapter 91 necessary to
2 effectuate the purposes of this section.

3 (g) If the tax credit under this section exceeds the
4 taxpayer's net income tax liability, the excess of the 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 All claims for the tax credit under this section, including
8 amended claims, shall be filed on or before the end of the
9 twelfth month following the close of the taxable year for which
10 the credit may be claimed. Failure to comply with the foregoing
11 provision shall constitute a waiver of the right to claim the
12 credit.

13 (h) As used in this section:

14 "Native plant" means any plant that is indigenous or
15 endemic to Hawaii.

16 "Net income tax liability" means income tax liability
17 reduced by all other credits allowed under this chapter."

18 SECTION 3. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$ or so
20 much thereof as may be necessary for fiscal year 2023-2024 and
21 the same sum or so much thereof as may be necessary for fiscal



1 year 2024-2025 for the department of land and natural resources
2 to carry out its responsibilities, including for certification,
3 with respect to the tax credit established by section 235- ,
4 Hawaii Revised Statutes, including \$ for the
5 establishment of full-time equivalent (FTE) positions.

6 The sums appropriated shall be expended by the department
7 of land and natural resources for the purposes of this Act.

8 SECTION 4. New statutory material is underscored.

9 SECTION 5. This Act shall take effect on June 30, 3000,
10 and shall apply to taxable years beginning after December 31,
11 2022; provided that this Act shall be repealed on June 30, 2028.

12



Report Title:

Income Tax Credit; Native Plants; Preservation; Appropriation

Description:

Creates a non-refundable income tax credit for taxpayers who engage in preservation efforts using native plants. Appropriates funds. Repeals 6/30/2028. Effective 6/30/3000. (HD1)

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

