
A BILL FOR AN ACT

RELATING TO INCOME TAX CREDITS FOR RIDESHARING.

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

1 SECTION 1. The legislature finds that traffic is a major
2 problem for commuters in Hawaii. The department of
3 transportation has as part of its defined mission in HRS 26-19
4 "The department shall develop and promote ridesharing programs
5 which shall include but not be limited to, carpool and vanpool
6 programs, and may assist organizations interested in promoting
7 similar programs, arrange for contracts with private
8 organizations to manage and operate these programs, and assist
9 in the formulation of ridesharing arrangements. Ridesharing
10 programs include informal arrangements in which two or more
11 persons ride together in a motor vehicle."

12 This Act would help the department meet this mandate by
13 encouraging ridesharing with a personal income tax credit.

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- Carpooling; ridesharing; commuters; income tax
2 credit. (a) There shall be allowed to each qualified commuter
3 subject to the tax imposed under this chapter, a ridesharing
4 income tax credit that shall be deductible from the qualified
5 teacher's net income tax liability, if any, imposed by this
6 chapter for the taxable year in which the credit is properly
7 claimed.

8 (b) The amount of the tax credit shall be equal to \$19
9 dollars per day of ridesharing for taxable year and shall not
10 exceed \$5000 per qualified commuter.

11 (c) If the tax credit under this section exceeds the
12 taxpayer's net income tax liability, the excess of the credit
13 over liability may be used as a credit against the taxpayer's
14 net income tax liability in the following taxable year, and the
15 succeeding two years if necessary, until exhausted.

16 (d) The director of taxation shall prepare any forms that
17 may be necessary to claim an exclusion under this section. The
18 director may also require the qualified commuter to furnish
19 reasonable information to ascertain the validity of the claim
20 for an exclusion made under this section and may adopt rules to
21 effectuate the purposes of this section pursuant to chapter 91.



1 (e) The department of taxation shall submit to the
 2 legislature an annual report twenty days prior to the convening
 3 of each regular session on the amount of credits used by
 4 qualified commuters.

5 (f) As used in this section:

6 "Commuter" a Hawaii taxpayer who travels more than two
 7 miles to work.

8 "Carpooling" or "Ridesharing" means two or more people who
 9 travel together in one car for more than two miles going to paid
 10 employment or school."

11 SECTION 3. New statutory material is underscored.

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

14

INTRODUCED BY: _____



JAN 20 2023



H.B. NO. 682

Report Title:

Carpooling; ridesharing; commuters; income tax credit

Description:

Provides a carpooling income tax credit for qualified commuters.

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