

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



GOV. MSG. NO. 1158

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

May 15, 2025

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

The Honorable Nadine Nakamura
Speaker, and Members of the
House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Nakamura, and Members of the Legislature:

This is to inform you that on May 15, 2025, the following bill was signed into law:

H.B. NO. 1146, H.D.1,
S.D. 1

RELATING TO PASS-THROUGH ENTITY TAXATION.
ACT 058

Mahalo,

A handwritten signature in black ink that reads "Josh Green M.D." in a cursive style.

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

on MAY 15 2025

HOUSE OF REPRESENTATIVES
THIRTY-THIRD LEGISLATURE, 2025
STATE OF HAWAII

ACT 058
H.B. NO. 1146
H.D. 1
S.D. 1

A BILL FOR AN ACT

RELATING TO PASS-THROUGH ENTITY TAXATION.

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

1 SECTION 1. Section 235-51.5, Hawaii Revised Statutes, is
2 amended by amending subsection (e) to read as follows:
3 "(e) Each qualified member of an electing pass-through
4 entity whose distributive share or guaranteed payment of Hawaii
5 taxable income is subject to tax under this section shall be
6 entitled to a credit equal to the qualified member's share of
7 the tax paid pursuant to this section. If the amount of the
8 credit authorized by this subsection exceeds the qualified
9 member's tax liability imposed pursuant to this chapter, the
10 excess of the credit over liability may be used as a credit
11 against the member's net income tax liability in subsequent
12 years until exhausted. Any qualified member claiming a credit
13 shall not be entitled to deduct from the member's Hawaii state
14 taxable income those amounts of Hawaii state income taxes paid
15 by the member on the qualified member's distributive share or
16 guaranteed payment of income from the electing pass-through
17 entity. Any qualified member claiming a credit shall add to the



1 qualified member's taxable income the qualified member's share
2 of taxes paid by an electing pass-through entity under this
3 section."

4 SECTION 2. New statutory material is underscored.

5 SECTION 3. This Act, upon its approval, shall apply to
6 taxable years beginning after December 31, 2024.



H.B. NO. 1146
H.D. 1
S.D. 1

APPROVED this 15th day of May, 2025

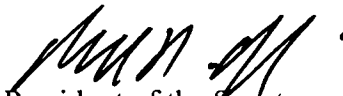
A handwritten signature in black ink, appearing to read "Josh Green". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

GOVERNOR OF THE STATE OF HAWAII


THE SENATE OF THE STATE OF HAWAI‘I

Date: April 8, 2025
Honolulu, Hawai‘i 96813

We hereby certify that the foregoing Bill this day passed Third Reading in the Senate
of the Thirty-Third Legislature of the State of Hawai‘i, Regular Session of 2025.



President of the Senate



Clerk of the Senate

HB No. 1146, HD 1, SD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 24, 2025
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Third Legislature of the State of Hawaii, Regular Session of 2025.



Nadine K. Nakamura
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives