

JAN 17 2025

A BILL FOR AN ACT

RELATING TO THE LOW-INCOME HOUSING TAX CREDIT.

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

1 SECTION 1. Section 235-110.8, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) Each taxpayer subject to the tax imposed by this
4 chapter, who has filed a net income tax return for a taxable
5 year may claim a low-income housing tax credit against the
6 taxpayer's net income tax liability. The amount of the credit
7 shall be deductible from the taxpayer's net income tax
8 liability, if any, imposed by this chapter for the taxable year
9 in which the credit is properly claimed on a timely basis. A
10 credit under this section may be allocated by a partnership or
11 limited liability company in any manner agreed to by the
12 partners or members regardless of whether the individual or
13 entity to receive the credit is deemed to be a partner or member
14 for federal income tax purposes, so long as the individual or
15 entity is deemed to be a partner or member pursuant to
16 applicable state law. The credit may be claimed whether or not
17 the taxpayer is eligible to be allocated a federal low-income



1 housing tax credit pursuant to section 42 of the Internal
2 Revenue Code[-]; provided that this section shall not apply to
3 chapter 302A, part VI, subpart C."

4 SECTION 2. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 3. This Act shall take effect upon its approval.

7
INTRODUCED BY: H. A. H.



S.B. NO. 826

Report Title:

LIHTC; Developers; Applicability

Description:

Clarifies housing developers that are eligible for the Low Income Housing Tax Credit.

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