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# A BILL FOR AN ACT

RELATING TO TAX CREDITS.

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

1           SECTION 1. The purpose of this Act is to require income  
2 tax credits established or renewed after December 31, 2024, to  
3 include a five-year sunset or a gradual reduction over a three-  
4 year period, beginning with the sixth year of the credit.

5           SECTION 2. Chapter 235, Hawaii Revised Statutes, is  
6 amended by adding a new section to part I to be appropriately  
7 designated and to read as follows:

8           "§235-       Tax credits; generally. Any income tax credit  
9 established or renewed under this chapter after December 31,  
10 2024, shall include either:

- 11           (1) A five-year sunset date; or  
12           (2) Beginning with the sixth year of the credit, an annual  
13           one-third reduction in the credit amount allowed to be  
14           claimed, over a three-year period."

15           SECTION 3. New statutory material is underscored.



# H.B. NO. 1804

1 SECTION 4. This Act shall take effect on July 1, 2024.

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INTRODUCED BY:

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JAN 18 2024



# H.B. NO. 1804

**Report Title:**

Income Tax Credits; Sunset; Annual Reduction

**Description:**

Requires that income tax credits established or renewed after 12/31/2024 include a five-year sunset or an annual one-third reduction, beginning with the sixth year of the credit.

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