
A BILL FOR AN ACT

RELATING TO CONSERVATION LAND.

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

1 SECTION 1. Chapter 235, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§235- Conservation land tax credit. (a) There shall
5 be allowed to each taxpayer who is not claimed or is not
6 otherwise eligible to be claimed as a dependent by another
7 taxpayer for federal or Hawaii state individual income tax
8 purposes a conservation land tax credit, which shall be
9 deductible from the taxpayer's net income tax liability imposed
10 by this chapter for the taxable year in which the credit is
11 properly claimed; provided that a husband and wife filing
12 separate returns for a taxable year for which a joint return
13 could have been filed by them shall claim only the tax credit to
14 which they would have been entitled had a joint return been
15 filed.

16 (b) The tax credit shall apply to any taxpayer who:

17 (1) Donates land to the State that is classified as
18 conservation and that is part of a conservation land



1 use district under section 205-2(e); provided that the
2 board of land and natural resources accepts the
3 donated land;

4 (2) Voluntarily reclassifies residentially zoned land
5 owned by the taxpayer to conservation under section
6 205-2(e) and initiates the rezoning process; or

7 (3) Invests in the management of the land to protect or
8 enhance its natural condition if that land is
9 classified as conservation under section 205-2(e) or,
10 if not classified as conservation, is subject to a
11 watershed management plan pursuant to section 171-58
12 or other watershed management plan negotiated with
13 private landowners.

14 (c) The amount of the tax credit shall be:

15 (1) per cent of the appraised value of the land, which
16 land shall not exceed \$ in value; and

17 (2) per cent of the amount invested in management
18 pursuant to subsection (b)(3).

19 (d) To qualify for the income tax credit, the taxpayer
20 shall be in compliance with all applicable federal, state, and
21 county statutes and rules.



1 (e) If the tax credit under this section exceeds the
2 taxpayer's net income tax liability under this chapter, any
3 excess of the tax credit over liability may be used as a credit
4 against the taxpayer's income tax liability in subsequent
5 taxable years until exhausted.

6 (f) The tax credit may be claimed only for taxable years
7 that follow two successive fiscal years where the tax
8 collections for each fiscal year exceed the previous fiscal
9 year's tax collection by per cent. The director of taxation
10 shall notify the governor and the legislature of general fund
11 tax collections at the close of every fiscal year.

12 (g) Every claim, including amended claims, for the tax
13 credit under this section shall be filed on or before the end of
14 the twelfth month following the close of the taxable year for
15 which the tax credit may be claimed. Failure to meet the filing
16 requirements of this subsection shall constitute a waiver of the
17 right to claim the tax credit.

18 (h) The director of taxation shall prepare forms necessary
19 to claim a tax credit under this section, may require proof of
20 the claim for the tax credit, and may adopt rules pursuant to
21 chapter 91 to effectuate the purposes of this section.



1 (i) The department shall report to the legislature
 2 annually, at least twenty days before the convening of every
 3 regular session, on the number of taxpayers claiming the tax
 4 credit and the total cost of the tax credit to the State during
 5 the past year."

6 SECTION 2. New statutory material is underscored.

7 SECTION 3. This Act, upon its approval, shall apply to
 8 taxable years beginning after December 31, 2006.

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Report Title:

Tax Credit; Conservation Land

Description:

Provides a conservation land tax credit for land donated to and accepted by the State if: (1) the land is in a conservation land use district; (2) residentially zoned land is voluntarily reclassified to conservation and rezoning is initiated; or (3) amounts are invested in management of conservation or watershed land.

