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A BILL FOR AN ACT

RELATING TO THE HAWAII STRATEGIC DEVELOPMENT CORPORATION.

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

1	SECTION 1. The legislature finds that the State has a
2	public interest in diversifying our economy and promoting the
3	development of high technology ventures.
4	The purpose of this Act is authorize the Hawaii strategic
5	development corporation to transfer tax credits.
6	SECTION 2. Section 211F-1, Hawaii Revised Statutes, is
7	amended by adding two new definitions to be appropriately
8	inserted and to read as follows:
9	"Tax credits" means tax credits issued or transferred
10	pursuant to this chapter and available against liabilities
11	imposed by chapter 235 or 241 or section 431:7-202.
12	"Taxpayer" means a person subject to a tax imposed by
13	chapter 235 or 241 or section 431: 7-202."
14	SECTION 3. Chapter 211F, Hawaii Revised Statutes, is
15	amended by adding a new section to be appropriately designated
16	and to read as follows:
17	" <u>§211F-</u> Tax credits. (a) The State shall issue tax
18	credits to the corporation that may be transferred or otherwise



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1	used to reduce the tax liability of any taxpayer pursuant to		
2	chapter 235 or 241 or section 431:7-202. The total amount of		
3	tax credits that shall be issued and that may be transferred		
4	pursuant to this chapter by the corporation is \$100,000,000.		
5	(b) The tax credits issued to the corporation shall be		
6	freely transferable by the corporation to transferees and by		
7	transferees to subsequent transferees; provided that the tax		
8	credits transferred by the corporation shall not be exercisable		
9	in a taxable year beginning before January 1, 2013, or ending		
10	after December 31, 2025.		
11	The corporation shall notify the governor and the		
12	legislature in writing if any tax credit is transferred by the		
13	corporation; provided that the corporation shall not be required		
14	to make that notification for transfers to subsequent		
15	transferees.		
16	(c) The corporation shall determine the amount of		
17	individual tax credits to be transferred pursuant to this		
18	chapter and may negotiate for the sale of those credits subject		
19	only to the limits imposed by this chapter.		
20	The amount of tax credits transferred by the corporation		
21	pursuant to this chapter shall not exceed an aggregate total of		
22	\$20,000,000 per fiscal year. The board shall clearly indicate		
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1	on the fa	ce of the certificate or other document transferring
2	<u>the tax c</u>	redit the following information:
3	(1)	The principal amount of the tax credit; and
4	(2)	The taxable year or years for which the credit may be
5		claimed.
6	(d)	Tax credits transferred by the corporation in
7	accordanc	e with this chapter are binding on the corporation and
8	<u>may not b</u>	e modified, terminated, or rescinded.
9	(e)	The corporation, in conjunction with the department of
10	taxation,	shall develop a system for registration of any tax
11	<u>credits i</u>	ssued or transferred pursuant to this chapter and a
12	system of	certificates that permits verification that:
13	(1)	Any tax credit claimed upon a tax return is validly
14		issued and properly taken in the year of claim; and
15	(2)	That any transfers of the tax credit are made in
16		accordance with this chapter.
17	<u>(f)</u>	The corporation may pay a fee and provide other
18	considera	tion in connection with the purchase by the corporation
19	of a put	option or other agreement pursuant to which a transfer
20	of tax cr	edits authorized by this chapter may be made.
21	<u>(g)</u>	The tax credits shall be claimed as a refundable tax
22	credit.	



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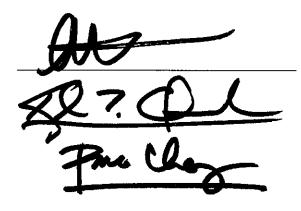
1	(h) The tax credits issued or transferred pursuant to this
2	chapter, upon election by the taxpayer at time of use, shall be
3	treated as a payment or prepayment in lieu of taxes imposed
4	under chapter 235 or 241 or section 431:7-202.
5	(i) If the tax credits under this section exceed the
6	taxpayer's income tax liability under chapter 235 or 241 or
7	section 431:7-202 for any taxable year, or for any other reason
8	is not claimed by a taxpayer in whole or in part in any taxable
9	year, the excess of the tax credit over liability, or the amount
10	of the unclaimed tax credit, as the case may be, may be used in
11	subsequent taxable years until exhausted, subject to:
12	(1) The deadline for the exercise of tax credits imposed
13	by subsection (b); and
14	(2) The monetary limit imposed by subsection (c).
15	(j) A certificate or tax credit issued or transferred in
16	accordance with this chapter may not be considered a security
17	under chapter 485A.
18	(k) The corporation shall not transfer or sell any tax
19	credit at more than a thirty per cent discount."
20	SECTION 4. New statutory material is underscored.



1 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY:



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Report Title: Hawaii Strategic Development Corporation; Tax Credits

Description: Issues tax credits to the Hawaii strategic development corporation. Allows the corporation to transfer tax credits.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

