

JAN 25 2012

A BILL FOR AN ACT

RELATING TO TAXATION.

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

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

"§235- Aviation fuel tax credit for interisland airplane carriers. (a) There shall be allowed to each taxpayer subject to the taxes imposed by this chapter an aviation fuel tax credit, not exceeding \$ in any taxable year, that shall be deducted from the taxpayer's net income tax liability, if any, imposed by this chapter for the taxable year in which the credit is properly claimed. The tax credit allowed shall be for the amount of tax imposed under chapter 243 on qualified aviation fuel and paid by an interisland airplane carrier during the taxable year.

(b) The credit allowed under this section shall be claimed against the net income tax liability for the taxable year.

(c) If the tax credit under this section exceeds the taxpayer's income tax liability, the excess of credits over liability shall be refunded to the taxpayer; provided that no



1 refunds or payment on account of the tax credits allowed by this
2 section shall be made for amounts less than \$1. All claims,
3 including any amended claims, for tax credits under this section
4 shall be filed on or before the end of the twelfth month
5 following the close of the taxable year for which the credit may
6 be claimed. Failure to properly claim the credit shall
7 constitute a waiver of the right to claim the credit.

8 (d) The director of taxation shall prepare forms as may be
9 necessary to claim a credit under this section. The director
10 may also require the taxpayer to furnish information to
11 ascertain the validity of the claim for credit made under this
12 section and may adopt rules necessary to effectuate the purposes
13 of this section pursuant to chapter 91.

14 (e) For purposes of this section:

15 "Aviation fuel" shall have the same meaning as in section
16 243-1.

17 "Interisland airplane carrier" means a business, person, or
18 entity that owns or operates one or more turbo propeller
19 airplanes to transport or convey baggage, passengers, or goods
20 between the islands of this State for a fee.

21 "Net income tax liability" means net income tax liability
22 reduced by all other credits allowed under this chapter.



1 "Qualified aviation fuel" means the aviation fuel used by a
 2 turbo propeller airplane that is owned or operated by an
 3 interisland airplane carrier to transport or convey baggage,
 4 passengers, or goods between the islands of this State.

5 "Turbo propeller airplane" means an aircraft with a
 6 turbojet engine used to drive an external propeller."

7 SECTION 2. New statutory material is underscored.

8 SECTION 3. This Act, upon its approval, shall apply to
 9 taxable years beginning after December 31, 2011.

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INTRODUCED BY:

[Handwritten signature]

Randy H. Baker
J. Paul G. Baker

Amos Overland Kn.

John D. Baker
James H. Baker

JM
Charles F. Baker

David Y. Baker



S.B. NO. 2977

Report Title:

Aviation Fuel Tax Credit; Interisland Turbo Propeller Airplanes

Description:

Creates an income tax credit for aviation fuel taxes paid by interisland airplane carriers to transport people and goods between the islands of this State using turbo propeller airplanes.

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

