

JAN 25 2012

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# A BILL FOR AN ACT

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RELATING TO TAXATION.

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

1       SECTION 1. The legislature finds that small turbo  
2   propeller airplanes play a vital role in the transport or  
3   conveying of baggage, passengers, and goods between the islands  
4   of this State. The services provided by these airplanes are  
5   particularly critical for Hawaii's isolated rural communities,  
6   which often have few or no alternative means of transportation.

7       The legislature further finds that in today's highly  
8   competitive economy, the operators of these small airplanes  
9   struggle to maintain and expand their operations to serve  
10   Hawaii's residents.

11       The purpose of this Act is to provide a tax deduction for  
12   the amount of interisland airplane carrier landing fees and  
13   terminal facility lease rents in any county with a population of  
14   less than 500,000 persons.

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



1        "§235-    Interisland airplane carriers; tax deduction.

2        (a) There shall be allowed as a deduction from gross income the  
3        amount of interisland airplane carrier landing fees and terminal  
4        facility lease rents paid by a taxpayer during the taxable year  
5        in any county with a population of less than 500,000 persons up  
6        to a maximum of \$                    per taxable year.

7        (b) The director of taxation shall prepare such forms as  
8        may be necessary to claim a tax deduction under this section,  
9        may require proof of the claim for the tax deduction, and may  
10       adopt rules pursuant to chapter 91 necessary to effectuate this  
11       section.

12       (c) For the purpose of this section:

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

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

19       SECTION 3. New statutory material is underscored.



1       SECTION 4. This Act, upon its approval, shall apply to  
2 taxable years beginning after December 31, 2011.

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INTRODUCED BY:

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Rosslyn de Bala  
J. K. E. G. H.  
Dana Drenth  
J. K. E. G. H.  
Will E. G. H.  
J. K. E. G. H.  
Chris F. K. E. G. H.  
A. K. E. G. H.



# S.B. NO. 2978

**Report Title:**

Interisland Airplane Carrier; Tax Deduction; Landing Fee

**Description:**

Establishes a tax deduction for the amount of interisland airplane carrier landing fees and terminal facility lease rents paid in any county with a population of less than 500,000 persons.

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

