A BILL FOR AN ACT

RELATING TO PUBLIC TRANSPORTATION INCENTIVES.

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

- 1 SECTION 1. The legislature finds that a robust public
- 2 transportation system is a critical component of overtaxed
- 3 public transportation infrastructure. The biggest barrier to
- 4 increasing the usage of public transportation is that those most
- 5 likely to use public transportation are those who can least
- 6 afford it. The legislature also finds that increased usage of
- 7 public transportation has the additional benefits of reduced
- 8 highway maintenance costs, air pollution, and energy
- 9 consumption. The legislature believes that the ancillary
- 10 benefits of a róbust public transportation system will reduce
- 11 our carbon footprint and make strides toward environmental
- 12 sustainability for the entire State.
- 13 The purpose of this Act is to establish an income tax
- 14 credit for taxpayers who purchase bus passes or passes for a
- 15 public transportation program.
- 16 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
- 17 amended by adding a new section to be appropriately designated
- 18 and to read as follows:

HB LRB 14-0551-2.doc



1	" <u></u> \$23.	5- Public transportation tax credit. (a) There
2	shall be	allowed to each taxpayer subject to the tax imposed by
3	this chap	ter, an income tax credit that shall be deductible from
4	the taxpa	yer's net income tax liability imposed by this chapter,
5	if any, f	or the taxable year in which the credit is properly
6	claimed.	
7	(b)	The amount of the tax credit shall be equal to the
8	amount sp	ent by the taxpayer to purchase public transportation
9	passes du	ring the taxable year; provided that the total amount
10	of any ta	x credit allowed under this section shall not exceed:
11	(1)	<pre>\$ per individual taxpayer; or</pre>
12	(2)	<pre>\$ per participating employee if the taxpayer</pre>
13		purchases the public transportation passes for use by
14		the taxpayer's employees.
15	<u>(c)</u>	For the purposes of this section, "public
16	transport	ation passes" means:
17	(1)	Monthly or annual bus passes; or
18	(2)	Monthly or annual passes for a public transportation
19		program operated or contracted by the State or a
20		county.
21	<u>(</u> d)	The director of taxation shall prepare any forms that
22	may be ne	cessary to claim a tax credit under this section. The
	HB LRB 14-0551-2.doc	

- 1 director may also require the taxpayer to furnish reasonable
- 2 information to ascertain the validity of the claim for credit
- 3 made under this section and may adopt rules necessary to
- 4 effectuate the purposes of this section pursuant to chapter 91.
- 5 (e) If the tax credit under this section exceeds the
- 6 taxpayer's income tax liability, the excess of the credit over
- 7 liability may be used as a credit against the taxpayer's income
- 8 tax liability in subsequent years until exhausted. All claims
- 9 for the tax credit under this section, including amended claims,
- 10 shall be filed on or before the end of the twelfth month
- 11 following the close of the taxable year for which the credit may
- 12 be claimed. Failure to comply with this subsection shall
- 13 constitute a waiver of the right to claim the credit."
- 14 SECTION 3. New statutory material is underscored.
- 15 SECTION 4. This Act, upon its approval, shall apply to

16 taxable years beginning after December 31, 2014.

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INTRODUCED BY:

Now well

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JAN 1 7 2014

H.B. NO. 2064

Report Title:

Public Transportation Tax Credit

Description:

Establishes an income tax credit for taxpayers who purchase bus passes or passes for a public transportation program.

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