

JAN 17 2014

S.B. NO. 2513

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# A BILL FOR AN ACT

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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 robust 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:

SB LRB 14-0551-2.doc



1       "§235-       Public transportation tax credit. (a) There  
2 shall be allowed to each taxpayer subject to the tax imposed by  
3 this chapter, an income tax credit that shall be deductible from  
4 the taxpayer's net income tax liability imposed by this chapter,  
5 if any, for 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 spent by the taxpayer to purchase public transportation  
9 passes during the taxable year; provided that the total amount  
10 of any tax credit allowed under this section shall not exceed:

11       (1) \$               per individual taxpayer; or

12       (2) \$               per participating employee if the taxpayer  
13 purchases the public transportation passes for use by  
14 the taxpayer's employees.

15       (c) For the purposes of this section, "public  
16 transportation 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       (d) The director of taxation shall prepare any forms that  
22 may be necessary to claim a tax credit under this section. The



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.

17  
INTRODUCED BY: 



# S.B. NO. 2513

**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.

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

