

JAN 22 2016

A BILL FOR AN ACT

RELATING TO SMALL BUSINESSES.

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- Full-time employment incentive program. (a) A small business that employs, for the duration of the taxable year, ninety per cent of all of its employees as full-time employees may apply, in the form and manner prescribed by the department of taxation, to receive a \$1,000 refund pursuant to rules adopted by the department of taxation.

(b) For purposes of this section, "small business" means:

(1) A corporation, partnership, sole proprietorship, or other legal entity; or

(2) A private, nonprofit, tax-exempt corporation, association, or organization described in section 501(c)(3), Internal Revenue Code of 1986, as amended, that:

(A) Is domiciled in this State;



1 (B) Is independently owned and operated; and
2 (C) Employs fewer than one hundred full-time
3 employees."

4 SECTION 2. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$ or so
6 much thereof as may be necessary for fiscal year 2016-2017 for
7 the full-time employment incentive program.

8 The sum appropriated shall be expended by the department of
9 taxation for the purposes of this Act.

10 SECTION 3. New statutory material is underscored.

11 SECTION 4. This Act shall take effect on July 1, 2016.

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INTRODUCED BY: *Erin Ann Olsen Oakland*



S.B. NO. 2274

Report Title:

Small Business; Full-Time Employment Incentive; Appropriation

Description:

Allows the department of taxation to provide a \$1,000 refund to each Hawaii small business with 90 percent or more of its employees as full-time employees for the duration of each taxable year. Makes an appropriation.

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