

JAN 22 2016

A BILL FOR AN ACT

RELATING TO TAXATION.

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

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

4 "§235- Invasive species tree removal and replacement;
5 income tax credit. (a) There shall be allowed to each
6 qualified taxpayer subject to the tax imposed by this chapter an
7 invasive species tree removal and replacement tax credit, which
8 shall be deductible from the taxpayer's net income tax
9 liability, if any, imposed by this chapter for the taxable year
10 in which the credit is properly claimed.

11 (b) As used in this section:

12 "Invasive species tree" means a tree that is not native to
13 Hawaii and is harmful to the environment, economy, or human
14 health.

15 "Non-invasive species tree" means a tree that is native to
16 Hawaii and is not harmful to the environment, economy, or human
17 health.



1 "Qualified expenses" means costs that are necessary and
2 directly incurred by the taxpayer for removing an invasive
3 species tree from private property and replacing the invasive
4 species tree with a non-invasive species tree.

5 (c) The invasive species tree removal and replacement tax
6 credit shall be equal to per cent of the qualified
7 expenses incurred by the taxpayer during the taxable year, up to
8 a maximum of \$ in qualified expenses in any taxable
9 year.

10 (d) If the tax credit under this section exceeds the
11 taxpayer's net income tax liability, the excess of credit over
12 liability may be used as a tax credit against the taxpayer's net
13 income tax liability in subsequent years until exhausted. All
14 claims for a tax credit under this section, including amended
15 claims, shall be filed on or before the end of the twelfth month
16 following the close of the taxable year for which the tax credit
17 may be claimed. Failure to comply with this subsection shall
18 constitute a waiver of the right to claim the tax credit.

19 (e) No other tax credit may be claimed under this chapter
20 for the qualified costs used to properly claim a tax credit
21 under this section for the taxable year.



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1 (f) The director of taxation shall prepare any forms that
2 may be necessary to claim a tax credit under this section. The
3 director may also require the taxpayer to furnish information to
4 ascertain the validity of the claim for the tax credit made
5 under this section and may adopt rules necessary to effectuate
6 the purposes of this section pursuant to chapter 91."

7 SECTION 2. New statutory material is underscored.

8 SECTION 3. This Act shall take effect upon its approval
9 and shall apply to taxable years beginning after December 31,
10 2016.

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S.B. NO. 2278

Report Title:

Income Tax Credit; Invasive Species Trees; Non-Invasive Species
Trees; Private Property

Description:

Provides an income tax credit for a portion of the cost of
removing invasive species trees from private property and
replacing invasive species trees with non-invasive species
trees.

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not legislation or evidence of legislative intent.*

