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# 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 robust usage of  
2 public transportation systems is critical to relieve pressure on  
3 the State's overtaxed transportation infrastructure. The  
4 biggest barrier to increasing the usage of public transportation  
5 is that those most likely to use public transportation are those  
6 who can least afford it. The legislature also finds that  
7 increased usage of public transportation has the additional  
8 benefits of reduced highway maintenance costs, air pollution,  
9 and energy consumption. The legislature believes that the  
10 ancillary benefits of a robust public transportation system will  
11 reduce our carbon footprint and make strides toward  
12 environmental 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.



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

4 "§235- Public transportation tax credit. (a) Each  
5 individual or joint taxpayer, with an adjusted gross income of  
6 \$100,000 or less, who files an income tax return for a taxable  
7 year, and who is not claimed or is not otherwise eligible to be  
8 claimed as a dependent by another taxpayer for federal or Hawaii  
9 state individual income tax purposes, may claim a public  
10 transportation tax credit against the taxpayer's individual  
11 income tax liability for the taxable year for which the  
12 individual income tax return is being filed.

13 (b) The public transportation tax credit shall be equal to  
14 the amount spent by the taxpayer to purchase public  
15 transportation passes during the taxable year; provided that a  
16 married couple filing separate tax returns for a taxable year  
17 for which a joint return could have been filed by them shall  
18 claim only the tax credit to which they would have been entitled  
19 had a joint return been filed.



1        (c) If the tax credit under this section exceeds the  
2 taxpayer's income tax liability, the excess of the credit over  
3 the liability shall not be refundable.

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

10       (e) All claims for the tax credit under this section,  
11 including amended claims, shall be filed on or before the end of  
12 the twelfth month following the close of the taxable year for  
13 which the credit may be claimed. Failure to comply with this  
14 subsection shall constitute a waiver of the right to claim the  
15 credit.

16       (f) As used in this section:

17       "Adjusted gross income" means adjusted gross income as  
18 defined by the Internal Revenue Code.

19       "Public transportation passes" means:

20       (1) Monthly or annual bus passes; or



1           (2) Monthly or annual passes for a public transportation  
2           program operated or contracted by the State or a  
3           county."

4           SECTION 3. New statutory material is underscored.

5           SECTION 4. This Act, upon its approval, shall apply to  
6 taxable years beginning after December 31, 2017.



**Report Title:**

Public Transportation Tax Credit

**Description:**

Establishes an income tax credit for taxpayers with an adjusted gross income of \$100,000 or less who purchase bus passes or passes for a public transportation program. (HB721 HD1)

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

