
A BILL FOR AN ACT

RELATING TO INCOME TAX CREDITS.

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

1 SECTION 1. The legislature finds that there are
2 significant benefits to the State, employers, and employees when
3 employers allow their employees to telework. Encouraging
4 employers to allow employees to telework will benefit Hawaii's
5 job market, improve the expansion of internet and broadband in
6 rural communities, reduce traffic congestion and carbon
7 emissions, and provide benefits to employees by significantly
8 improving job satisfaction.

9 The purpose of this Act is to establish a telework tax
10 credit to encourage employers to allow their employees to
11 telework.

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

15 "§235-_____ Telework tax credit. (a) There shall be
16 allowed to each taxpayer subject to the tax imposed by this
17 chapter a telework tax credit for an employer who allows at



1 least thirty per cent of the employer's workforce to telework.
2 The tax credit shall be deductible for the taxpayer's net income
3 tax liability, if any, imposed by this chapter for the taxable
4 year in which the credit is properly claimed.

5 (b) The amount of the tax credit shall be equal to
6 \$ _____ per employee who is allowed to telework at least
7 two-thirds of the time that the employee is expected to work;
8 provided that the amount of the tax credit shall not exceed
9 \$ _____ in any taxable year.

10 (c) 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 tax credits under this section, including any 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 credit may
17 be claimed. Failure to comply with the foregoing provision
18 shall constitute a waiver of the right to claim the credit.

19 (d) The director of taxation shall prepare any forms that
20 may be necessary to claim a tax credit under this section. The
21 director may also require the taxpayer to furnish information to



1 ascertain the validity of the claims for credit made under this
2 section and may adopt rules necessary to effectuate the purposes
3 of this section pursuant to chapter 91.

4 (e) For the purposes of this section:

5 "Employer" means any employer upon whom an income tax is
6 imposed by this chapter.

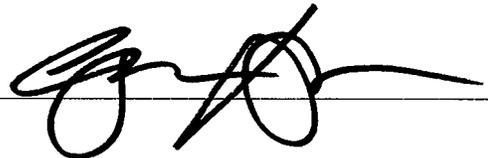
7 "Telework" means an alternative work arrangement whereby
8 employees perform the normal duties and responsibilities of
9 their positions through the use of telecommunication devices,
10 either at home or another place apart from the employees' usual
11 place of work."

12 SECTION 3. New statutory material is underscored.

13 SECTION 4. This Act, upon its approval, shall apply to
14 taxable years beginning after December 31, 2020.

15

INTRODUCED BY:



JAN 25 2021



H.B. NO. 836

Report Title:

Telework; Tax Credits; Employers; Employees

Description:

Establishes a telework tax credit for employers who allow telework for at least thirty per cent of their employees. Applies to taxable years beginning after 12/31/20.

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

