
A BILL FOR AN ACT

RELATING TO TAX CREDITS.

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

1 SECTION 1. The purpose of this Act is to require that new
2 income tax credits include a five-year sunset or a gradual
3 reduction over a three-year period.

4 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
5 amended by adding a new section to part I to be appropriately
6 designated and to read as follows:

7 "§235- Tax credits; generally. Any income tax credit
8 established or renewed under this chapter after December 31,
9 2021, shall include either:

- 10 (1) A five-year sunset date; or
11 (2) Beginning with the sixth year of the credit, a one-
12 third annual reduction in the credit amount allowed to
13 be claimed, over a three-year period."

14 SECTION 3. New statutory material is underscored.

15 SECTION 4. This Act shall take effect on July 1, 2021.



S.B. NO. 662 S.D. 1

Report Title:

Income Tax Credits; Sunset; Annual Reduction

Description:

Requires that new income tax credits established or renewed after 12/31/2021 include a 5-year sunset or an annual reduction. (SD1)

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