

JAN 21 2022

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# 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 2022, shall include either:

- 10 (1) A five-year sunset date; or  
11 (2) Beginning with the sixth year of the credit, an annual  
12 one-third reduction in the credit amount allowed to be  
13 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, 2022.

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INTRODUCED BY:

  
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# S.B. NO. 2337

**Report Title:**

Income Tax Credits; Sunset; Annual Reduction

**Description:**

Requires that new income tax credits established or renewed after 12/31/2022 include a five-year sunset or an annual one-third reduction.

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

