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# 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 I to be appropriately  
3 designated and to read as follows:

4 "§235- Hydrogen-powered buses; income tax credit. (a)

5 There shall be allowed to each taxpayer subject to the tax  
6 imposed under this chapter, an income tax credit that shall be  
7 deductible from the taxpayer's net income tax liability, if any,  
8 imposed by this chapter for the taxable year in which the credit  
9 is properly claimed.

10 (b) In the case of a partnership, S corporation, estate,  
11 or trust, the tax credit allowable is for qualified expenses  
12 incurred by the entity for the taxable year. The expenses upon  
13 which the tax credit is computed shall be determined at the  
14 entity level. Distribution and share of credit shall be  
15 determined by rule.



1        (c) The amount of the income tax credit shall be equal to  
2        per cent of the qualified expenses of the taxpayer, up to a  
3        maximum of \$ .

4        (d) The director of taxation:

5        (1) Shall prepare any forms that may be necessary to claim  
6        a tax credit under this section;

7        (2) May require the taxpayer to furnish reasonable  
8        information to ascertain the validity of the claim for  
9        the tax credit made under this section; and

10       (3) May adopt rules under chapter 91 necessary to  
11       effectuate the purposes of this section.

12       (e) If the tax credit under this section exceeds the  
13       taxpayer's income tax liability, the excess of the credit over  
14       liability may be used as a credit against the taxpayer's income  
15       tax liability in subsequent years until exhausted.

16       All claims for the tax credit under this section, including  
17       amended claims, shall be filed on or before the end of the  
18       twelfth month following the close of the taxable year for which  
19       the credit may be claimed. Failure to comply with the foregoing  
20       provision shall constitute a waiver of the right to claim the  
21       credit.



1        (f) As used in this section, "qualified expenses" means  
2 costs incurred by the taxpayer to:

3        (1) Convert gasoline-powered buses to hydrogen-powered  
4        buses; or

5        (2) Purchase new hydrogen-powered buses."

6        SECTION 2. New statutory material is underscored.

7        SECTION 3. This Act shall take effect on July 1, 2050, and  
8 shall apply to taxable years beginning after December 31, 2020.



**Report Title:**

Income Tax Credit; Hydrogen-powered Buses

**Description:**

Establishes an income tax credit for the conversion of gasoline-powered buses to hydrogen-powered buses or the purchase of new hydrogen-powered buses. Effective 7/1/2050. (HD1)

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

