

JAN 20 2023

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 beginning with the sixth year
4 of the credit.

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

8 "§235- Tax credits; generally. Any income tax credit
9 established or renewed under this chapter after December 31,
10 2023, shall include either:

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

15 SECTION 3. New statutory material is underscored.



S.B. NO. 1117

1 SECTION 4. This Act shall take effect on July 1, 2023.

2

INTRODUCED BY: 



S.B. NO. 1117

Report Title:

Income Tax Credits; Sunset; Annual Reduction

Description:

Requires that income tax credits established or renewed after 12/31/2023 include a five-year sunset or an annual one-third reduction beginning with the sixth year of the credit.

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