

JAN 20 2023

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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. The legislature finds that, although the State  
2 implemented a regulatory framework for peer-to-peer car-sharing  
3 programs through the enactment of Act 77, Session Laws of Hawaii  
4 2022, persons offering vehicles for rent through peer-to-peer  
5 car-sharing programs have caused significant parking disruptions  
6 in many neighborhoods. In many of these instances, a person  
7 operates out of a residential home with multiple vehicles,  
8 sometimes numbering in the teens, that are available to rent  
9 through the peer-to-peer car-sharing program. However, since  
10 the person is operating out of a residential home, many of the  
11 vehicles cannot be accommodated on the residential property,  
12 which results in the excess vehicles taking up valuable parking  
13 spaces on the neighborhood streets. To address this issue, the  
14 legislature finds that many vehicles for rent through a peer-to-  
15 peer car-sharing program may be relocated if owners of  
16 commercial properties are properly incentivized to allocate  
17 dedicated space for these vehicles.



1           Accordingly, the purpose of this Act is to establish an  
2 income tax credit for owners of commercial properties that  
3 provide designated parking spaces for vehicles available for  
4 rent through a peer-to-peer car-sharing program.

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

8           "S235-           Peer-to-peer car-sharing parking tax credit.

9           (a) There shall be allowed to each taxpayer subject to the  
10 taxes imposed by this chapter, an income tax credit that shall  
11 be deductible from the taxpayer's net income tax liability, if  
12 any, imposed by this chapter for the taxable year in which the  
13 credit is properly claimed. The amount of the credit shall be  
14 \$                   for each parking space that is within a parking lot  
15 on the commercial property owned by the taxpayer and that is  
16 solely designated for use by a peer-to-peer car-sharing platform  
17 pursuant to a written agreement.

18           In the case of a partnership, S corporation, estate, or  
19 trust, the tax credit allowable is for every designated parking  
20 space by the entity. The cost upon which the tax credit is  
21 computed shall be determined at the entity level. Distribution



1 and share of credit shall be determined pursuant to  
2 administrative rule.

3 (b) If the tax credit claimed by the taxpayer under this  
4 section exceeds the amount of the income tax payments due from  
5 the taxpayer, the excess of credit over payments due shall be  
6 refunded to the taxpayer; provided that no refunds or payments  
7 on account of the tax credit allowed by this section shall be  
8 made for amounts less than \$1.

9 (c) The director of taxation shall prepare such forms as  
10 may be necessary to claim a credit under this section, may  
11 require proof of the claim for the tax credit, and may adopt  
12 rules pursuant to chapter 91.

13 (d) All of the provisions relating to assessments and  
14 refunds under this chapter and under section 231-23(c)(1) shall  
15 apply to the tax credit under this section.

16 (e) Claims for the tax credit under this section,  
17 including any amended claims, shall be filed on or before the  
18 end of the twelfth month following the taxable year for which  
19 the credit may be claimed.

20 (f) For purposes of this section, "peer-to-peer car-  
21 sharing platform" has the same meaning as in section 279L-1."



1 SECTION 3. New statutory material is underscored.

2 SECTION 4. This Act, upon its approval, shall apply to  
3 taxable years beginning after December 31, 2022.

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INTRODUCED BY:     *Cam*    



# S.B. NO. 1089

**Report Title:**

Taxation; Credit; Income Tax; Peer-to-Peer Car Sharing

**Description:**

Establishes a tax credit for commercial property owners that make available parking spaces within the owners' parking lots for use by peer-to-peer car-sharing platforms. Applies to taxable years after 12/31/2022.

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

