

JAN 19 2024

A BILL FOR AN ACT

RELATING TO CREDITS FOR FUEL TAXES PAID BY COMMERCIAL FISHERS.

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

1 SECTION 1. Section 23-94, Hawaii Revised Statutes, is
2 amended by amending subsection (c) to read as follows:

3 "(c) This section shall apply to the following:

4 (1) Section 235-4.5(a)--Exclusion of intangible income
5 earned by a trust sited in this State;

6 (2) Section 235-4.5(b)--Exclusion of intangible income of
7 a foreign corporation owned by a trust sited in this
8 State;

9 (3) Section 235-4.5(c)--Credit to a resident beneficiary
10 of a trust for income taxes paid by the trust to
11 another state;

12 (4) Sections 235-55 and 235-129--Credit for income taxes
13 paid by a resident taxpayer to another jurisdiction;

14 (5) Section 235-71(c)--Credit for a regulated investment
15 company shareholder for the capital gains tax paid by
16 the company;



- 1 [~~(6)~~] ~~Section 235-110.6--Credit for fuel taxes paid by a~~
- 2 ~~commercial fisher;~~
- 3 ~~(7)]~~ (6) Section 235-110.93--Credit for important
- 4 agricultural land qualified agricultural cost;
- 5 [~~(8)]~~ (7) Section 235-110.94--Credit for organically
- 6 produced agricultural products;
- 7 [~~(9)]~~ (8) Section 235-129(b)--Credit to a shareholder of an
- 8 S corporation for the shareholder's pro rata share of
- 9 the tax credit earned by the S corporation in this
- 10 State; and
- 11 [~~(10)]~~ (9) Section 209E-10--Credit for a qualified business
- 12 in an enterprise zone; provided that the review of
- 13 this credit pursuant to this part shall be limited in
- 14 scope to income tax credits."

15 SECTION 2. Section 235-110.6, Hawaii Revised Statutes, is
 16 repealed.

17 [~~"§235-110.6 Fuel tax credit for commercial fishers. (a)~~
 18 ~~Each principal operator of a commercial fishing vessel who files~~
 19 ~~an individual or corporate net income tax return for a taxable~~
 20 ~~year may claim an income tax credit under this section against~~
 21 ~~the Hawaii state individual or corporate net income tax.~~



1 ~~(b) The tax credit shall be an amount equal to the fuel~~
2 ~~taxes imposed under section 243-4(a) and paid by the principal~~
3 ~~operator during the taxable year.~~

4 ~~(c) The tax credit claimed under this section by the~~
5 ~~principal operator shall be deductible from the principal~~
6 ~~operator's individual or corporate income tax liability, if any,~~
7 ~~for the tax year in which the credit is properly claimed;~~
8 ~~provided that a husband and wife filing separate returns for a~~
9 ~~taxable year for which a joint return could have been made by~~
10 ~~them shall claim only the tax credit to which they would have~~
11 ~~been entitled had a joint return been filed. If the tax credit~~
12 ~~claimed by the principal operator under this section exceeds the~~
13 ~~amount of the income tax payments due from the principal~~
14 ~~operator, the excess of credit over payments due shall be~~
15 ~~refunded to the principal operator from the state highway fund;~~
16 ~~provided that the tax credit properly claimed by a principal~~
17 ~~operator who has no income tax liability shall be paid to the~~
18 ~~principal operator from the state highway fund; and provided~~
19 ~~further no refunds or payments on account of the tax credit~~
20 ~~allowed by this section shall be made for amounts less than \$1.~~



1 ~~(d) The director of taxation shall prepare such forms as~~
2 ~~may be necessary to claim a credit under this section, may~~
3 ~~require proof of the claim for the tax credit, and may adopt~~
4 ~~rules pursuant to chapter 91.~~

5 ~~(e) All of the provisions relating to assessments and~~
6 ~~refunds under this chapter and under section 231-23(c)(1) shall~~
7 ~~apply to the tax credit under this section.~~

8 ~~(f) Claims for the tax credit under this section,~~
9 ~~including any amended claims thereof, shall be filed on or~~
10 ~~before the end of the twelfth month following the taxable year~~
11 ~~for which the credit may be claimed.~~

12 ~~(g) As used in this section:~~

13 ~~(1) "Commercial fishing vessel" means any water vessel~~
14 ~~which is used to catch or process fish or transport~~
15 ~~fish loaded on the high seas.~~

16 ~~(2) "Principal operator" means any individual or corporate~~
17 ~~resident taxpayer who derives at least fifty one per~~
18 ~~cent of the taxpayer's gross annual income from~~
19 ~~commercial fishing operations."]~~

20 SECTION 3. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 4. This Act shall take effect upon its approval;
2 provided that section 2 shall take effect on January 1, 2025,
3 and shall apply to taxable years beginning after December 31,
4 2024.

5

INTRODUCED BY: _____

Karl N. ...



S.B. NO. 2383

Report Title:

Fuel Tax Credit; Commercial Fishers; Repeal

Description:

Repeals the fuel tax credit for commercial fishers.

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