
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 income
2 tax credits established or renewed after December 31, 2025, to
3 include a five-year sunset or a gradual reduction over a three-
4 year period, beginning with the sixth year 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 2025, 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.

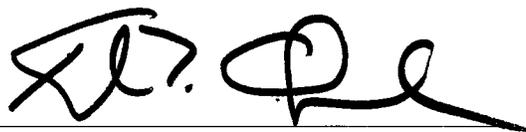
16 SECTION 4. This Act shall take effect on July 1, 2025.

17



H.B. NO. 796

INTRODUCED BY:

A handwritten signature in black ink, appearing to be "R. P.", written over a horizontal line.

JAN 17 2025



H.B. NO. 796

Report Title:

Income Tax Credits; Sunset; Annual Reduction

Description:

Requires that income tax credits established or renewed after 12/31/2025 include a five-year sunset or an annual one-third reduction, beginning with the sixth year of the credit.

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

