A BILL FOR AN ACT

RELATING TO THE LOW-INCOME HOUSING TAX CREDIT.

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

1   SECTION 1.   Section 235-110.8, Hawaii Revised Statutes, is

2   amended by amending subsection (b) to read as follows:

3   "(b)   Each taxpayer subject to the tax imposed by this

4   chapter, who has filed a net income tax return for a taxable

5   year may claim a low-income housing tax credit against the

6   taxpayer's net income tax liability[-]; provided that the tax

7   credit shall not be available for any development, planning, or

8   construction by any department or agency of the State.   The

9   amount of the credit shall be deductible from the taxpayer's net

10 income tax liability, if any, imposed by this chapter for the

11 taxable year in which the credit is properly claimed on a timely

12 basis.   A credit under this section may be allocated by a

13 partnership or limited liability company in any manner agreed to

14 by the partners or members regardless of whether the individual

15 or entity to receive the credit is deemed to be a partner or

16 member for federal income tax purposes, so long as the

17 individual or entity is deemed to be a partner or member

1 pursuant to applicable state law. The credit may be claimed

2 whether or not the taxpayer is eligible to be allocated a

3 federal low-income housing tax credit pursuant to section 42 of

4 the Internal Revenue Code."

5   SECTION 2. Statutory material to be repealed is bracketed

6 and stricken. New statutory material is underscored.

7   SECTION 3. This Act shall take effect on July 1, 2050, and

8 apply to taxable years beginning after December 31, 2024.

Report Title:
DOTAX; Low-Income Housing Tax Credit; State Departments and Agencies

Description:
Exempts state departments and agencies from eligibility for the low-income housing tax credit. Effective 7/1/2050. (SD1)

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