

JAN 17 2025

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. The amount of the credit
7 shall be deductible from the taxpayer's net income tax
8 liability, if any, imposed by this chapter for the taxable year
9 in which the credit is properly claimed on a timely basis. A
10 credit under this section may be allocated by a partnership or
11 limited liability company in any manner agreed to by the
12 partners or members regardless of whether the individual or
13 entity to receive the credit is deemed to be a partner or member
14 for federal income tax purposes, so long as the individual or
15 entity is deemed to be a partner or member pursuant to
16 applicable state law. A partner or member that is a partnership
17 or limited liability company that has been allocated a credit



1 may either further allocate the credit or transfer, sell, or
2 assign all or a portion of the credit to any taxpayer,
3 regardless of whether the taxpayer owns a direct or indirect
4 interest in the qualified low-income building; provided that,
5 for any tax year in which the credit is transferred, sold, or
6 assigned pursuant to this subsection, the transferor shall
7 notify the department of taxation of the transfer, sale, or
8 assignment in the manner prescribed by the department of
9 taxation. The credit may be claimed whether or not the taxpayer
10 is eligible to be allocated a federal low-income housing tax
11 credit pursuant to section 42 of the Internal Revenue Code."

12 SECTION 2. Act 129, Session Laws of Hawaii 2016, as
13 amended by section 2 of Act 226, Session Laws of Hawaii 2021, is
14 amended by amending section 4 to read as follows:

15 "SECTION 4. This Act, upon its approval, shall take effect
16 on January 1, 2017, and shall apply to qualified low-income
17 buildings awarded credits after December 31, 2016; provided that
18 this Act shall be repealed on December 31, [~~2027~~] 2032, and
19 section 235-110.8, Hawaii Revised Statutes, shall be reenacted
20 in the form in which it read on the day prior to the effective
21 date of this Act."

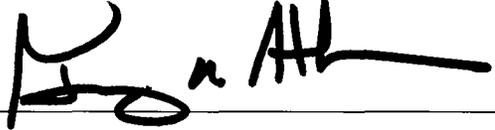


1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:





S.B. NO. 944

Report Title:

LIHTC; Partnership; Limited Liability Company; Allocation;
Transfer, Sale, or Assignment; Direct or Indirect Interest;
Sunset; Extension

Description:

Authorizes a partner or member in a partnership or limited liability company that has been allocated a low-income housing tax credit to further allocate the credit or transfer, sell, or assign up to one hundred per cent of the tax credit, under certain conditions. Extends the sunset date for certain provisions of the Low-Income Housing Tax Credit for low-income buildings.

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

