
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Chapter 235, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§235- Refundable insurance premium tax credit. (a)

5 There shall be allowed to each qualified taxpayer subject to the
6 tax imposed by this chapter, a credit to offset the cost of real
7 property insurance premiums on qualified properties, which shall
8 be deductible from the net income tax liability of the qualified
9 taxpayer, if any, imposed by this chapter for the taxable year
10 in which the credit is properly claimed.

11 (b) The amount of the tax credit shall be equal
12 to per cent of the taxpayer's yearly real property
13 insurance premium for a qualified property.

14 (c) The director of taxation:

15 (1) Shall prepare any forms that may be necessary to claim
16 a tax credit under this section;



1 (2) May require the taxpayer to furnish reasonable
2 information to ascertain the validity of the claim for
3 the tax credit made under this section; and

4 (3) May adopt rules under chapter 91 necessary to
5 effectuate the purposes of this section.

6 (d) If the tax credit claimed by the taxpayer under this
7 section exceeds the amount of the income tax payments due from
8 the taxpayer, the excess of credit over payments due shall be
9 refunded to the taxpayer; provided that the tax credit properly
10 claimed by a taxpayer who has no income tax liability shall be
11 paid to the taxpayer; and provided further that no refunds or
12 payments on account of the tax credit allowed by this section
13 shall be made for amounts less than \$1. All claims for the tax
14 credit under this section, including amended claims, shall be
15 filed on or before the end of the twelfth month following the
16 close of the taxable year for which the credit may be claimed.
17 Failure to comply with the foregoing provision shall constitute
18 a waiver of the right to claim the credit.

19 (e) For the purposes of this section:

20 "Owner-occupant" means any individual in whose name sole or
21 joint legal title is held in real property that, simultaneous to



1 the ownership, serves as the individual's principal residence,
2 as defined by the department, for a period of not less than
3 three hundred sixty-five consecutive days; provided that the
4 individual shall retain complete possessory control of the
5 premises of the real property during this period. An individual
6 shall not be deemed to have complete possessory control of the
7 premises if the individual rents, leases, or assigns the
8 premises for any period of time to any other person in whose
9 name legal title is not held; except that an individual shall be
10 deemed to have complete possessory control even when the
11 individual conveys or transfers the real property into a trust
12 for estate planning purposes and continues in the use of the
13 premises as the individual's principal residence during this
14 period.

15 "Qualified property" means a the unit of a condominium, as
16 defined in section 514B-3, of which the qualified taxpayer is an
17 owner-occupant.

18 "Qualified taxpayer" means a taxpayer liable for payment of
19 the real property insurance premium of a qualified property."

20 SECTION 2. New statutory material is underscored.

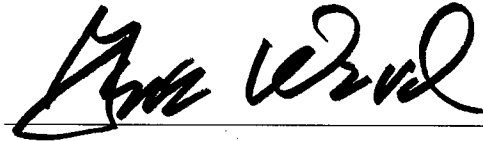


H.B. NO. 1251

1 SECTION 3. This Act, upon its approval, shall apply to
2 taxable years beginning after December 31, 2024.

3

INTRODUCED BY:



JAN 22 2025



H.B. NO. 1251

Report Title:

Income Tax; Condominiums; Real Property Insurance Premiums; Tax Credit

Description:

Establishes a refundable income tax credit to offset the increase in real property insurance premiums for certain properties.

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