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# A BILL FOR AN ACT

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RELATING TO TAX CREDITS.

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

SECTION 1. The purpose of this Act is to require income tax credits established or renewed after December 31, 2025, to include a five-year sunset or a gradual reduction over a three-year period, beginning with the sixth year of the credit.

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

"§235- Tax credits; generally. Any income tax credit established or renewed under this chapter after December 31, 2025, shall include either:

(1) A five-year sunset date; or

(2) Beginning with the sixth year of the credit, an annual one-third reduction in the credit amount allowed to be claimed, over a three-year period."

SECTION 3. New statutory material is underscored.



**1** SECTION 4. This Act shall take effect on July 1, 3000.



**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. Effective 7/1/3000. (HD1)

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

