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# A BILL FOR AN ACT

RELATING TO COCONUT TREES.

**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-       Natural management of the coconut rhinoceros  
5 beetle tax credit. (a) There shall be allowed to each taxpayer  
6 subject to the tax imposed under this chapter, who is not  
7 eligible to be claimed as a dependent for federal or state  
8 income taxes by another and who files an individual income tax  
9 return for a taxable year, a natural management of the coconut  
10 rhinoceros beetle tax credit that shall be applied against the  
11 taxpayer's net income tax liability, if any, imposed by this  
12 chapter for the taxable year in which the credit is properly  
13 claimed.

14           (b) The amount of the tax credit shall be equal  
15 to           per cent of the qualified costs incurred by the  
16 taxpayer to implement natural management practices of the



1 coconut rhinoceros beetle that result in consumable coconut  
2 trees, or \$ \_\_\_\_\_, whichever is less.

3 (c) The standards for eligibility and certification of  
4 costs for the tax credit shall be determined by the department  
5 of agriculture and biosecurity. The taxpayer shall submit  
6 verification or allow inspection as determined by the department  
7 of agriculture and biosecurity; provided that the verification  
8 shall include a certification by the taxpayer that no systemic  
9 or prohibited pesticides have been applied to the coconut trees  
10 and that only natural management practices approved by the  
11 department of agriculture and biosecurity have been implemented.

12 (d) All claims for the tax credit under this section,  
13 including any amended claims, shall be filed on or before the  
14 end of the twelfth month following the close of the taxable year  
15 for which the credit may be claimed. Failure to properly claim  
16 the credit shall constitute a waiver of the right to claim the  
17 credit.

18 (e) If the tax credit claimed by the taxpayer under this  
19 section exceeds the amount of the income tax payments due from  
20 the taxpayer, the excess of the credit over payments due may be



1 used as a credit against the taxpayer's income tax liability in  
2 subsequent years until exhausted.

3 (f) No taxpayer who claims the tax credit under this  
4 section shall claim any other credit for the same expenses or  
5 costs.

6 (g) The director of taxation:

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

9 (2) May require proof of the claim for the tax credit; and

10 (3) May adopt rules pursuant to chapter 91 to effectuate  
11 the purposes of this section.

12 (h) For the purposes of this section, "consumable coconut  
13 tree" means a coconut tree managed without the application of  
14 systemic or persistent pesticides that would render the coconut  
15 water or meat unsafe for human consumption."

16 SECTION 2. New statutory material is underscored.

17 SECTION 3. This Act shall take effect on July 1, 3000;  
18 provided that section 1 shall apply to taxable years beginning  
19 after December 31, 2026.



**Report Title:**

DAB; Taxation; Natural Management of Coconut Rhinoceros Beetle  
Tax Credit

**Description:**

Establishes an income tax credit for qualified costs to  
implement natural management of coconut rhinoceros beetles that  
result in consumable coconut trees. Applies to taxable years  
beginning after 12/31/2026. Effective 7/1/3000. (HD1)

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not legislation or evidence of legislative intent.*

