
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- Apprenticeship program income tax credit. (a)
5 There shall be allowed to each taxpayer subject to the taxes
6 imposed by this chapter an apprenticeship program income tax
7 credit that shall be deductible from the taxpayer's net income
8 tax liability, if any, imposed by this chapter for the taxable
9 year in which the credit is properly claimed.

10 (b) The amount of the tax credit shall be ten per cent of
11 the qualified costs incurred by a qualified apprenticeship
12 program in the taxable year; provided that:

13 (1) The total tax credit claimed per qualified
14 apprenticeship program shall not exceed
15 \$ _____ per taxable year; and
16 (2) The aggregate amount of tax credits allowed under this
17 section shall not exceed \$ _____ for all taxpayers



1 in any taxable year; provided that any taxpayer who is
2 not eligible to claim the credit in a taxable year due
3 to the \$ cap having been exceeded for that
4 taxable year shall be eligible to claim the credit in
5 the subsequent taxable year.

6 (c) If the tax credit under this section exceeds the
7 taxpayer's income tax liability, the excess of the credit over
8 liability may be used as a credit against the taxpayer's income
9 tax liability in subsequent years until exhausted. All claims
10 for the tax credit under this section, including amended claims,
11 shall be filed on or before the end of the twelfth month
12 following the close of the taxable year for which the credit may
13 be claimed. Failure to comply with this provision shall
14 constitute a waiver of the right to claim the credit.

15 (d) To qualify for the income tax credit, the taxpayer
16 shall be in compliance with all applicable federal, state, and
17 county statutes, ordinances, rules, and regulations.

18 (e) Every taxpayer claiming a tax credit under this
19 section shall file with the department of taxation a written,
20 certified statement from the department of labor and industrial
21 relations verifying that the apprenticeship program is a



1 qualified apprenticeship program and specifying the amount of
2 qualified costs incurred.

3 (f) The director of taxation:

4 (1) Shall prepare any forms necessary to claim a credit
5 under this section;

6 (2) May require the taxpayer to furnish information to
7 ascertain the validity of the claim for credit made
8 under this section; and

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

11 (g) No taxpayer that claims a credit under this section
12 shall claim any other credit for the same qualified costs under
13 this chapter.

14 (h) As used in this section:

15 "Qualified apprenticeship program" means an apprenticeship
16 program in the State that is registered and approved by the
17 department of labor and industrial relations.

18 "Qualified costs" means costs directly incurred by a
19 qualified apprenticeship program for training, instruction, and
20 related expenses necessary to maintain program compliance and
21 provide apprenticeship opportunities."



1 SECTION 2. New statutory material is underscored.

2 SECTION 3. This Act, upon its approval, shall apply to
3 taxable years beginning after December 31, 2025.

4

INTRODUCED BY:



JAN 23 2026



H.B. NO. 1851

Report Title:

Taxation; Apprenticeship Program Income Tax Credit; Qualified Apprenticeship Program; Qualified Costs

Description:

Establishes an apprenticeship program income tax credit for certain qualified costs incurred by a qualified apprenticeship program. Applies to taxable years beginning after 12/31/2025.

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

