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# A BILL FOR AN ACT

RELATING TO LABOR DAY.

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

1 SECTION 1. The legislature finds that Labor Day is a  
2 federal holiday dedicated to recognizing the contributions of  
3 workers to the strength, prosperity, and well-being of the  
4 nation. The construction industry plays a vital role in the  
5 economic and infrastructural development of Hawaii.  
6 Construction workers often perform physically demanding and  
7 hazardous labor, contributing significantly to the State's  
8 growth. The legislature further finds that it is fitting that  
9 these workers be afforded a paid day of rest and recognition on  
10 Labor Day. However, the legislature also recognizes that  
11 imposing the cost of this paid holiday solely on private  
12 employers may create an undue financial burden. The legislature  
13 additionally finds that it is in the State's best interest to  
14 provide funding to compensate construction workers for the Labor  
15 Day holiday.



1       Therefore, the purpose of this Act is to establish a  
2 refundable tax credit for employers who provide a paid Labor Day  
3 holiday to construction workers.

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

7       "S235-       Paid Labor Day holiday for construction workers;

8       **tax credit.** (a) As used in this section:

9       "Construction worker" means any individual employed in the  
10 construction industry, including but not limited to:

11       (1) Ironworkers;

12       (2) Plumbers;

13       (3) Carpenters;

14       (4) Electricians;

15       (5) Mason;

16       (6) Roofers;

17       (7) Laborers;

18       (8) Operators of construction equipment;

19       (9) Sheet-metal workers;

20       (10) Elevator workers;

21       (11) Heat and frost insulators and related workers;



- 1        (12) Bricklayers and related workers;
- 2        (13) Boiler makers;
- 3        (14) Painters, glaziers, floor layers, and tapers;
- 4        (15) Roofers, waterproofers, and related workers; and
- 5        (16) Any other worker whose primary duties involve on-site  
6                construction, alteration, or repair of buildings,  
7                structures, or infrastructure.

8        "Labor Day" means the Labor Day holiday recognized by the  
9        State in section 8-1.

10        (b) Notwithstanding any other provision of law to the  
11        contrary, there shall be allowed to each taxpayer that is  
12        subject to the tax imposed by this chapter and that employs  
13        construction workers a refundable paid Labor Day tax credit,  
14        which shall be deductible from the taxpayer's net income tax  
15        liability, if any, imposed by this chapter for the taxable year  
16        in which the credit is properly claimed.

17        (c) The taxpayer shall be eligible for the credit for each  
18        construction worker employed by the taxpayer for which the  
19        taxpayer provides a paid day off on Labor Day.

20        (d) The amount of the tax credit shall be calculated based  
21        on the construction worker's average daily wage for the four



1    weeks preceding Labor Day for an eight-hour day for each  
2    construction worker employed by the taxpayer.

3        (e) If the paid Labor Day holiday tax credit allowed under  
4    subsection (b) exceeds the taxpayer's net income tax liability,  
5    the excess of credit over liability shall be refunded to the  
6    taxpayer; provided that no refunds or payment on account of the  
7    tax credit allowed by this section shall be made for amounts  
8    less than \$1.

9        All claims for tax credits under this section, including  
10   any amended claims, shall be filed on or before the end of the  
11   twelfth month following the close of the taxable year for which  
12   the credits may be claimed. Failure to comply with the  
13   foregoing provision shall constitute a waiver of the right to  
14   claim the credit.

15       (f) This section shall not apply to construction workers  
16   employed by the State or any of its political subdivisions who  
17   are already entitled to paid holidays under applicable  
18   collective bargaining agreements or civil service rules.

19       (g) The director of taxation shall prepare any forms that  
20   may be necessary to claim a credit under this section. The  
21   director may also require the taxpayer to furnish information to



1 ascertain the validity of the claim for credit made under this  
2 section. The director of taxation may adopt rules pursuant to  
3 chapter 91 to implement this section."

4 SECTION 3. New statutory material is underscored.

5 SECTION 4. This Act, upon its approval, shall apply to  
6 taxable years beginning after December 31, 2025.

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INTRODUCED BY: 

JAN 23 2026



# H.B. NO. 2028

**Report Title:**

Paid Labor Day Holiday for Construction Workers; Tax Credit

**Description:**

Establishes a refundable tax credit for employers who provide a paid Labor Day holiday to construction workers. Provides a mechanism for claiming the refundable tax credit.

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

