
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 nonrefundable tax credit for employers who provide a paid Labor
3 Day 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 **§235- Paid Labor Day holiday for construction workers;**
8 **tax credit.** (a) Notwithstanding any other provision of law to
9 the contrary, there shall be allowed to each taxpayer that is
10 subject to the tax imposed by this chapter and that employs
11 construction workers a nonrefundable paid Labor Day tax credit,
12 which shall be deductible from the taxpayer's net income tax
13 liability, if any, imposed by this chapter for the taxable year
14 in which the credit is properly claimed.

15 (b) The taxpayer shall be eligible for the credit in the
16 amount of \$ for each construction worker employed by
17 the taxpayer for which the taxpayer provides a paid day off on
18 Labor Day.

19 (c) The total amount of tax credits allowed under this
20 section shall not exceed \$2,000,000 per taxable year.



1 (d) If the paid Labor Day holiday tax credit allowed under
2 this section exceeds the taxpayer's net income tax liability,
3 the excess of the credit over liability may be used as a credit
4 against the taxpayer's income tax liability in subsequent years
5 until exhausted.

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

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

16 (f) No taxpayer that claims a credit under this section
17 shall claim a deduction or any other credit for the same
18 qualified costs under this chapter.

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 (h) As used in this section:

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

7 (1) Ironworkers;

8 (2) Plumbers;

9 (3) Carpenters;

10 (4) Electricians;

11 (5) Masons;

12 (6) Roofers;

13 (7) Laborers;

14 (8) Operators of construction equipment;

15 (9) Sheet-metal workers;

16 (10) Elevator workers;

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

18 (12) Bricklayers and related workers;

19 (13) Boiler makers;

20 (14) Painters, glaziers, floor layers, and tapers;

21 (15) Waterproofers and related workers; and



1 (16) Any other worker whose primary duties involve on-site
2 construction, alteration, or repair of buildings,
3 structures, or infrastructure.

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

6 SECTION 3. New statutory material is underscored.

7 SECTION 4. This Act shall take effect on July 1, 3000;
8 provided that it shall apply to taxable years beginning after
9 December 31, 2025.



Report Title:

Paid Labor Day Holiday for Construction Workers; Tax Credit

Description:

Establishes a nonrefundable tax credit for employers who provide a paid Labor Day holiday to construction workers. Effective 7/1/3000. (HD1)

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