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# A BILL FOR AN ACT

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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)

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

