
A BILL FOR AN ACT

RELATING TO THE HAWAII CULTURAL TRUST.

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

1 SECTION 1. The legislature finds that Hawaii's arts and
2 cultural organizations preserve the history, language, and
3 traditions that shape the State's communities and strengthen
4 learning, connection, and opportunity for residents across the
5 islands. The legislature further finds that stable and
6 predictable funding is necessary to expand access to cultural
7 programs and ensure that these organizations can continue
8 serving future generations.

9 Therefore, the purpose of this Act is to establish the
10 Hawaii cultural trust and related incentives to encourage
11 charitable giving and to provide long-term support for Hawaii's
12 arts, culture, and heritage.

13 SECTION 2. Chapter 201, Hawaii Revised Statutes, is
14 amended by adding a new part to be appropriately designated and
15 to read as follows:

16 **"PART . HAWAII CULTURAL TRUST**



1 **§201- Definitions.** As used in this part, unless the
2 context otherwise requires:

3 "Advisory committee" means the Hawaii cultural trust
4 advisory committee.

5 "Coordinator" means the Hawaii cultural trust coordinator.

6 "County" includes the city and county of Honolulu, county
7 of Hawaii, county of Kauai, and county of Maui.

8 "Department" means the department of business, economic
9 development, and tourism.

10 "Director" means the director of business, economic
11 development, and tourism.

12 "Qualified Hawaii cultural organization" means:

13 (1) An organization that:

14 (A) Is organized and operated in the State as a
15 nonprofit organization exempt under section
16 501(c)(3) of the Internal Revenue Code;

17 (B) Is registered and in good standing with the
18 department of the attorney general pursuant to
19 chapter 467B;



1 (C) Has a primary purpose of providing cultural
2 programs, services, or education that advances
3 one or more of the following:

4 (i) Arts and arts education, including visual
5 arts, performing arts, music, dance,
6 theater, literary arts, media arts, and arts
7 learning;

8 (ii) Native Hawaiian culture, language, 'ike
9 kupuna, cultural practice, and cultural
10 perpetuation;

11 (iii) History, heritage, and preservation,
12 including museums, archives, historic sites,
13 and cultural heritage programs; and

14 (iv) Humanities and cultural literacy, including
15 storytelling, community-based cultural
16 education, and cultural research and
17 interpretation; and

18 (D) Meets any additional criteria established by the
19 department and adopted by rule pursuant to
20 chapter 91; and

21 (2) Shall not include:



1 (A) Any organization that is primarily organized for
2 religious worship, political campaign activity,
3 or lobbying;

4 (B) Any organization that is primarily a private
5 foundation, as defined under section 509(a) of
6 the Internal Revenue Code; or

7 (C) Any organization that is not in good standing
8 under state law.

9 "Trust" means the Hawaii cultural trust.

10 "Trust account" means the Hawaii cultural trust account.

11 **\$201- Hawaii cultural trust account; established;**

12 **purpose.** (a) There is established within the treasury of the
13 State the Hawaii cultural trust and Hawaii cultural trust
14 account.

15 (b) Funds in the trust account shall be used to support
16 cultural preservation, heritage education, and arts across the
17 State.

18 (c) Funds in the trust account shall be used solely for
19 the purposes of the trust, as set forth in subsection (b), and
20 shall not lapse at the end of each fiscal year.



(d) The trust account may receive appropriations, grants, gifts, and other income from:

(1) The legislature;

(2) The federal government or a county government;

(3) Funds received from the issuance of special number plates issued pursuant to section 249- ;

(4) Private sources, including businesses, other organizations, and individuals; and

(5) Interest earned on funds in the trust account.

(e) Funds in the trust account shall be allocated annually as follows:

(1) Fifty per cent shall be allocated to the state foundation on culture and the arts to expand arts programs and programs that foster creativity and cultural expression; and

(2) Fifty per cent shall be allocated to the office of Hawaiian affairs for cultural preservation, education, and community-based cultural advancement.

§201- Hawaii cultural trust; coordinator. (a) The Hawaii cultural trust account shall be administered by the department through the Hawaii cultural trust coordinator, who



1 shall be employed without regard to chapter 76. The coordinator
2 shall be assisted by the Hawaii cultural trust advisory
3 committee.

4 (b) The coordinator shall be appointed and supervised by
5 the director.

6 **§201- Hawaii cultural trust advisory committee. (a)**

7 The Hawaii cultural trust advisory committee is established
8 within the department.

9 (b) The advisory committee shall advise the director and
10 coordinator regarding:

11 (1) Priorities for the distribution of funds within the
12 trust account;

13 (2) Program criteria for the trust; and

14 (3) Community input and impact.

15 (c) The advisory committee shall consist of the following
16 individuals, to be appointed by the director:

17 (1) The chairperson of the house of representatives
18 standing committee with primary jurisdiction over
19 culture and the arts, who shall serve as an ex
20 officio, nonvoting member;



(2) The chairperson of the senate standing committee with primary jurisdiction over culture and the arts, who shall serve as an ex officio, nonvoting member;

(3) A representative of the state foundation on culture and the arts;

(4) A representative of the office of Hawaiian affairs;

(5) Native Hawaiian cultural practitioners; and

(6) Representatives of nonprofit organizations from the arts, humanities, and heritage communities.

§201- Reports. No later than twenty days before the convening of each regular session, the department shall submit a report to the legislature and advisory committee regarding:

(1) The total amount of funds collected by and disbursed from the trust account;

(2) The recipient and purpose of each grant, award, or other disbursement made by the trust account;

(3) Measured impacts on cultural preservation and the arts;

(4) Evaluation metrics aligned with the goals of economic development and cultural vitality; and



(5) Recommendations, including proposed legislation, if any, to improve the programs and operations of the trust.

§201- Rules. The department shall adopt rules pursuant to chapter 91 to implement this part."

SECTION 3. Chapter 235, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§235- Hawaii cultural trust; income tax credit; administration. (a) There shall be allowed to each taxpayer subject to the tax imposed by this chapter a credit against the taxpayer's net income tax liability for the taxable year in an amount equal to one hundred per cent of the eligible contribution made by the taxpayer during the taxable year to the Hawaii cultural trust established pursuant to section 201-

(b) The credit shall be allowed under this section only to the extent of the taxpayer's contributions during the taxable year to one or more qualified Hawaii cultural organizations.

(c) The credit claimed under this section shall not exceed:



1 (1) \$500 for a taxpayer filing any return other than a
2 joint return;

3 (2) \$1,000 for taxpayers filing a joint return; and

4 (3) \$2,500 for a corporation subject to tax under this
5 chapter.

6 (d) The credit allowed under this section shall be
7 nonrefundable and shall be claimed only to the extent of the
8 taxpayer's net income tax liability for the taxable year.

9 (e) The director of taxation shall prepare forms and may
10 require proof, in a form prescribed by the director, of:

11 (1) The eligible contribution to the Hawaii cultural
12 trust; and

13 (2) The required matching contributions to qualified
14 Hawaii cultural organizations.

15 (f) The proof required pursuant to subsection (e) may
16 include receipts or written acknowledgments from the Hawaii
17 cultural trust and from qualified Hawaii cultural organizations,
18 including the organization's name, the organization's federal
19 employer identification number, and the amount and date of the
20 contribution.



1 (g) The state foundation on culture and the arts shall
2 work with the office of Hawaiian affairs to maintain a list of
3 qualified Hawaii cultural organizations for purposes of
4 administering the tax credit.

5 (h) The director of taxation may adopt rules pursuant to
6 chapter 91 to implement this section.

7 (i) As used in this section, "qualified Hawaii cultural
8 organization" has the same meaning as in section 201- ."

9 SECTION 4. Chapter 249, Hawaii Revised Statutes, is
10 amended by adding a new section to be appropriately designated
11 and to read as follows:

12 **"§249- Special number plates; Hawaii cultural trust;**
13 **authorized.** (a) Notwithstanding any law to the contrary, the
14 director of finance shall issue to any registered owner of a
15 motor vehicle, who is a resident of the State, upon completed
16 application and payment of the required fees, a special number
17 plate for the registered owner's motor vehicle supporting the
18 Hawaii cultural trust established pursuant to section 201- .

19 (b) The director of finance of the city and county of
20 Honolulu, in consultation with the directors of finance of the
21 counties of Kauai, Maui, and Hawaii; chiefs of police of the



1 city and county of Honolulu and the counties of Kauai, Maui, and
2 Hawaii; and director of business, economic development, and
3 tourism, shall establish a special number plate design that:

4 (1) Contains words, images, or both, that indicate the
5 special number plate is issued to support the Hawaii
6 cultural trust;

7 (2) Is similar in shape and size to the uniform state
8 number plate prescribed by law; and

9 (3) Does not obstruct the visibility of the numbers or
10 letters or any other information that is required by
11 law to be on a number plate and is readily
12 identifiable and distinguishable under actual traffic
13 conditions.

14 (c) The special number plate design shall not:

15 (1) Infringe upon or otherwise violate any trademark,
16 trade name, service mark, copyright, or other
17 proprietary or property right;

18 (2) Represent any obscene or degrading image, idea, word,
19 or phrase;

20 (3) Advertise or endorse a product, brand, or service that
21 is provided for sale;



1 (4) Promote any religious belief; or

2 (5) Promote any philosophy based on prejudice or that is
3 contrary to state civil rights laws.

4 (d) Each special number plate shall be securely fastened
5 to the motor vehicle in lieu of the uniform state number plate.

6 (e) The director of finance shall charge a special number
7 plate fee at least equal to the county's cost of providing the
8 special number plate and administrative costs, if any, plus a
9 fundraising fee to be determined by the director of finance in
10 consultation with the director of business, economic
11 development, and tourism. The fundraising fee shall be in
12 addition to any other state or county fees collected for a motor
13 vehicle registration or license plate.

14 (f) The director of finance may charge an additional
15 fundraising fee of the same or a different amount as the
16 fundraising fee established pursuant to subsection (e), for the
17 renewal of a special number plate. If an additional fundraising
18 fee is implemented pursuant to this subsection, the director of
19 finance shall revoke the special number plate of any registered
20 owner of a motor vehicle who fails to pay the additional
21 fundraising fee imposed by this subsection.



1 (g) The revenue generated by the fundraising fees, or a
2 portion of the revenue generated by the fundraising fees as
3 determined by the director of finance, shall be deposited in the
4 name of the Hawaii cultural trust in a separate account. The
5 director of finance shall determine the most efficient means of
6 directing the revenue generated by the fundraising fees to the
7 Hawaii cultural trust.

8 (h) The director of finance may revoke all special number
9 plates issued pursuant to this section if the total number of
10 registered owners of motor vehicles that obtain the special
11 number plates is less than one hundred fifty within three years
12 of issuance of the first special number plate.

13 (i) Nothing in this section shall be construed to apply to
14 any plates issued pursuant to sections 249-9.2, 249-9.5, 249-
15 9.6, 249-9.7, 249-9.8, and 249-9.9.

16 (j) As used in this section, unless a different meaning
17 appears from the context, "special number plate" means a license
18 plate that represents the Hawaii cultural trust."

19 SECTION 5. New statutory material is underscored.



1 SECTION 6. This Act shall take effect upon its approval;
2 provided that section 3 of this Act shall apply to taxable years
3 beginning after December 31, 2025.

4

INTRODUCED BY:

A handwritten signature in black ink, appearing to read "Jennifer", is written over a horizontal line.

JAN 27 2026



H.B. NO. 2438

Report Title:

Hawaii Cultural Trust; Income Tax Credit; Special License Plate

Description:

Establishes the Hawaii Cultural Trust within the Department of Business, Economic Development, and Tourism.

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