
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 "S235- Police officer retention and housing income tax
5 credit. (a) There shall be allowed to each qualifying taxpayer
6 subject to the tax imposed under this chapter, a police officer
7 retention and housing income tax credit that shall be applied against
8 the taxpayer's net income tax liability, if any, imposed by this
9 chapter for the taxable year in which the credit is properly claimed.

10 (b) The police officer retention and housing income tax credit
11 shall be equal to \$10,000.

12 (c) The director of taxation:

13 (1) Shall prepare any forms that may be necessary to claim a
14 tax credit under this section;
15 (2) May require the taxpayer to furnish reasonable information
16 to ascertain the validity of the claim for the tax credit
17 made under this section; and



1 (3) May adopt rules under chapter 91 as necessary to effectuate
2 the purposes of this section.

3 (d) If the tax credit claimed by the taxpayer under this section
4 exceeds the amount of the income tax payments due from the taxpayer,
5 the excess of credit over payments due shall be refunded to the
6 taxpayer; provided that the tax credit properly claimed by a taxpayer
7 who has no income tax liability shall be paid to the taxpayer; and
8 provided further that no refunds or payments on account of the tax
9 credit allowed by this section shall be made for amounts less than \$1.

10 All claims for the tax credit under this section, including amended
11 claims, 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 be
13 claimed. Failure to comply with the foregoing provision shall
14 constitute a waiver of the right to claim the credit.

15 (e) For the purposes of this section, "qualifying taxpayer"
16 means a police officer employed during the taxable year by the police
17 department of a county with a population greater than five hundred
18 thousand."

19 SECTION 2. New statutory material is underscored.

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

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INTRODUCED BY: 

JAN 28 2026



H.B. NO. 2525

Report Title:

Police Officer Retention and Housing Income Tax Credit

Description:

Establishes a refundable income tax credit for the retention and housing of certain police officers.

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