

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



GOV. MSG. NO. 1307

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

July 8, 2026

The Honorable Ronald D. Kouchi
President of the Senate,
and Members of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Nadine K. Nakamura
Speaker, and Members of the
House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Nakamura, and Members of the Legislature:

This is to inform you that on July 8, 2026, the following bill was signed into law:

H.B. NO. 1920, H.D. 1, S.D. 2,
C.D. 1

RELATING TO THE LOW-INCOME HOUSING TAX
CREDIT.
ACT 205

Mahalo,

A handwritten signature in black ink that reads "Josh Green M.D.".

Josh Green, M.D.
Governor, State of Hawai'i

on JUL 8 2026

HOUSE OF REPRESENTATIVES
THIRTY-THIRD LEGISLATURE, 2026
STATE OF HAWAII

ACT 205
H.B. NO. 1920
H.D. 1
S.D. 2
C.D. 1

A BILL FOR AN ACT

RELATING TO THE LOW-INCOME HOUSING TAX CREDIT.

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

SECTION 1. Section 235-110.8, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Each taxpayer subject to the tax imposed by this chapter, who has filed a net income tax return for a taxable year may claim a low-income housing tax credit against the taxpayer's net income tax liability. The amount of the credit shall be deductible from the taxpayer's net income tax liability, if any, imposed by this chapter for the taxable year in which the credit is properly claimed on a timely basis. A credit under this section may be allocated by a partnership or limited liability company in any manner agreed to by the partners or members regardless of whether the individual or entity to receive the credit is deemed to be a partner or member for federal income tax purposes, so long as the individual or entity is deemed to be a partner or member pursuant to applicable state law.



1 For tax credits issued after July 1, 2026, a partner or
2 member that is a partnership or limited liability company that
3 has been allocated a credit may either further allocate the
4 credit or transfer, sell, or assign all or a portion of the
5 credit to any taxpayer, whether or not the taxpayer owns a
6 direct or indirect interest in the qualified low-income
7 building; provided that for any tax year in which the credit is
8 transferred, sold, or assigned pursuant to this subsection, the
9 transferor shall notify the department of taxation of the
10 transfer, sale, or assignment by the twentieth day of the first
11 month following the end of the taxable year for which the credit
12 may be claimed in a manner prescribed by the department;
13 provided further that the transferee shall not further allocate,
14 transfer, sell, or assign all or a portion of the credit to any
15 taxpayer.

16 The credit may be claimed whether or not the taxpayer is
17 eligible to be allocated a federal low-income housing tax credit
18 pursuant to section 42 of the Internal Revenue Code."

19 SECTION 2. Act 129, Session Laws of Hawaii 2016, as
20 amended by Act 226, Session Laws of Hawaii 2021, section 2, is
21 amended by amending section 4 to read as follows:



1 "SECTION 4. This Act, upon its approval, shall take effect
2 on January 1, 2017, and shall apply to qualified low-income
3 buildings awarded credits after December 31, 2016; provided that
4 this Act shall be repealed on December 31, [~~2027~~] 2032, and
5 section 235-110.8, Hawaii Revised Statutes, shall be reenacted
6 in the form in which it read on the day prior to the effective
7 date of this Act."

8 SECTION 3. Act 226, Session Laws of Hawaii 2021, is
9 amended by amending section 4 to read as follows:

10 "SECTION 4. This Act shall take effect on July 1, 2021,
11 and shall apply to taxable years beginning after December 31,
12 2020; provided that the amendments made to section 235-110.8,
13 Hawaii Revised Statutes, by section 1 of this Act shall not be
14 repealed when that section is reenacted on December 31, [~~2027~~]
15 2032, pursuant to section 4 of Act 129, Session Laws of Hawaii
16 2016, [~~and~~] as amended by section 2 of this Act."

17 SECTION 4. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 5. This Act shall take effect upon its approval;
20 provided that the amendments made to section 235-110.8(b),
21 Hawaii Revised Statutes, by section 1 of this Act shall not be

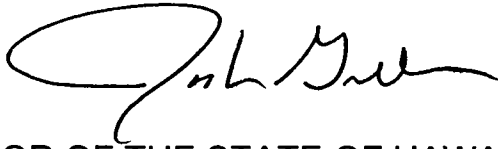


1 repealed when that section is reenacted on December 31, 2032,
2 pursuant to section 4 of Act 129, Session Laws of Hawaii 2016,
3 as amended by section 2 of Act 226, Session Laws of Hawaii 2021,
4 and as amended by section 2 of this Act.



H.B. NO. 1920
H.D. 1
S.D. 2
C.D. 1

APPROVED this 8th day of July, 2026

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

GOVERNOR OF THE STATE OF HAWAII

HB No. 1920, HD 1, SD 2, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 6, 2026
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Third Legislature of the State of Hawaii, Regular Session of 2026.

A handwritten signature in black ink, appearing to read "Nadine K. Nakamura", followed by a horizontal line.

Nadine K. Nakamura
Speaker
House of Representatives

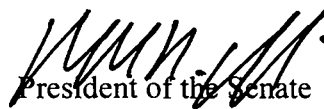
A handwritten signature in black ink, appearing to read "Brian L. Takeshita", followed by a horizontal line.

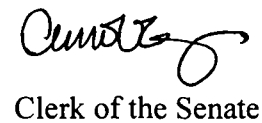
Brian L. Takeshita
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAI‘I

Date: May 1, 2026
Honolulu, Hawai‘i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate
of the Thirty-Third Legislature of the State of Hawai‘i, Regular Session of 2026.


President of the Senate


Clerk of the Senate