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# 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 part VI to be appropriately  
3 designated and to read as follows:

4           "§235-       Apprenticeship program income tax credit.   (a)

5       There shall be allowed to each taxpayer subject to the taxes  
6 imposed by this chapter an apprenticeship program income tax  
7 credit that shall be deductible from the taxpayer's net income  
8 tax liability, if any, imposed by this chapter for the taxable  
9 year in which the credit is properly claimed.

10           (b) The amount of the tax credit shall be \$4,800 or fifty  
11 per cent of the qualified costs, whichever is less, incurred by  
12 the taxpayer for a qualified apprenticeship program in the  
13 taxable year; provided that:

14           (1) The total tax credit claimed per qualified  
15 apprenticeship program shall not exceed  
16           \$                   per taxable year; and



1       (2) The aggregate amount of tax credits allowed under this  
2       section shall not exceed \$1,500,000 for all taxpayers  
3       in any taxable year; provided that any taxpayer who is  
4       not eligible to claim the credit in a taxable year due  
5       to the \$1,500,000 cap having been exceeded for that  
6       taxable year shall be eligible to claim the credit in  
7       the subsequent taxable year.

8       The taxpayer may apply the credit for the same qualified  
9       apprenticeship program for up to two consecutive taxable years.

10       (c) If the tax credit under this section exceeds the  
11       taxpayer's income tax liability, the excess of the credit over  
12       liability may be used as a credit against the taxpayer's income  
13       tax liability in subsequent years until exhausted. All claims  
14       for the tax credit under this section, including amended claims,  
15       shall be filed on or before the end of the twelfth month  
16       following the close of the taxable year for which the credit may  
17       be claimed. Failure to comply with this provision shall  
18       constitute a waiver of the right to claim the credit.

19       (d) To qualify for the income tax credit, the taxpayer  
20       shall be in compliance with all applicable federal, state, and  
21       county statutes, ordinances, rules, and regulations.



1       (e) Every taxpayer claiming a tax credit under this  
2 section shall file with the department of taxation a written,  
3 certified statement from the department of labor and industrial  
4 relations verifying that the apprenticeship program is a  
5 qualified apprenticeship program and specifying the amount of  
6 qualified costs incurred.

7       (f) The director of taxation:

8       (1) Shall prepare any forms necessary to claim a credit  
9       under this section;

10       (2) May require the taxpayer to furnish information to  
11       ascertain the validity of the claim for credit made  
12       under this section; and

13       (3) May adopt rules under chapter 91 necessary to  
14       effectuate the purposes of this section.

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

18       (h) As used in this section:

19       "Qualified apprenticeship program" means an apprenticeship  
20 program in the State that is registered and approved by the  
21 department of labor and industrial relations.



1        "Qualified costs" means the wages paid to each apprentice."

2        SECTION 2.    New statutory material is underscored.

3        SECTION 3.    This Act shall take effect on July 1, 3000;

4    provided that this Act:

5        (1)    Shall apply to taxable years beginning after December  
6                31, 2025; and

7        (2)    Shall be repealed on December 31, 2036.



**Report Title:**

Taxation; Apprenticeship Program Income Tax Credit; Qualified  
Apprenticeship Program; Qualified Costs

**Description:**

Establishes an apprenticeship program income tax credit for  
certain qualified costs incurred by a taxpayer for a qualified  
apprenticeship program. Sunsets 12/31/2036. Effective  
7/1/3000. (HD2)

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not legislation or evidence of legislative intent.*

