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

14 (b) Funds in the trust account shall be used solely for
15 the purposes of the trust, as set forth in subsection (d), and
16 shall not lapse at the end of each fiscal year.

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

19 (1) The legislature;

20 (2) The federal government or a county government;



- 1 (3) Funds received from the issuance of special number
2 plates issued pursuant to section 249- ;
3 (4) Private sources, including businesses, other
4 organizations, and individuals; and
5 (5) Interest earned on funds in the trust account.
6 (d) Funds in the trust account shall be allocated annually
7 as follows:

- 8 (1) Fifty per cent shall be allocated to the state
9 foundation on culture and the arts to expand arts
10 programs and programs that foster creativity and
11 cultural expression; and
12 (2) Fifty per cent shall be allocated to the office of
13 Hawaiian affairs for cultural preservation, education,
14 and community-based cultural advancement.

15 **§201-C Hawaii cultural trust coordinator.** The Hawaii
16 cultural trust account shall be administered by the department
17 through the Hawaii cultural trust coordinator, who shall be
18 appointed and supervised by the director, and shall be employed
19 without regard to chapter 76. The coordinator shall be assisted
20 by the Hawaii cultural trust advisory committee.



1 **§201-D Hawaii cultural trust advisory committee.** (a) The
2 Hawaii cultural trust advisory committee is established within
3 the department.

4 (b) The advisory committee shall advise the director and
5 coordinator regarding:

6 (1) Priorities for the distribution of funds within the
7 trust account;

8 (2) Program criteria for the trust; and

9 (3) Community input and impact.

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

12 (1) The chairperson of the house of representatives
13 standing committee with primary jurisdiction over
14 culture and the arts, who shall serve as an ex
15 officio, nonvoting member;

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

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

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



1 (5) Native Hawaiian cultural practitioners; and
 2 (6) Representatives of nonprofit organizations from the
 3 arts, humanities, and heritage communities;
 4 provided that there shall be no more than members on the
 5 committee; provided further that members of the committee
 6 appointed pursuant to paragraphs (3) through (6) shall serve as
 7 voting members.

8 **§201-E Reports.** No later than twenty days before the
 9 convening of each regular session, the department shall submit a
 10 report to the legislature and advisory committee regarding:

- 11 (1) The total amount of funds collected by and disbursed
 12 from the trust account;
- 13 (2) The recipient and purpose of each grant, award, or
 14 other disbursement made by the trust account;
- 15 (3) Measured impacts on cultural preservation and the
 16 arts;
- 17 (4) Evaluation metrics aligned with the goals of economic
 18 development and cultural vitality; and
- 19 (5) Recommendations, including proposed legislation, if
 20 any, to improve the programs and operations of the
 21 trust.



1 **§201-F Rules.** The department shall adopt rules pursuant
2 to chapter 91 to implement this part."

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

6 "§235- Hawaii cultural trust; income tax credit;
7 administration. (a) There shall be allowed to each taxpayer
8 subject to the taxes imposed by this chapter an income tax
9 credit which shall be deductible from the taxpayer's net income
10 tax liability, if any, imposed by this chapter for the taxable
11 year in which the credit is properly claimed.

12 (b) A taxpayer may claim the credit under this section if
13 the taxpayer made a monetary contribution during the taxable
14 year to:

15 (1) The Hawaii cultural trust established pursuant to
16 section 201-B; and

17 (2) One or more qualified Hawaii cultural organizations.

18 (c) The credit shall be equal to the amount of
19 contributions made to the Hawaii cultural trust or the total
20 amount of contributions made to one or more qualified Hawaii



1 cultural organizations during the taxable year, whichever is
2 less, subject to the limits set forth in subsection (d).

3 (d) The credit claimed under this section shall not
4 exceed:

5 (1) \$500 for a taxpayer filing any return other than a
6 joint return;

7 (2) \$1,000 for taxpayers filing a joint return; and

8 (3) \$2,500 for a corporation subject to tax under this
9 chapter.

10 (e) The credit allowed under this section shall be
11 nonrefundable and shall be claimed only to the extent of the
12 taxpayer's net income tax liability for the taxable year.

13 (f) The director of taxation shall prepare forms and may
14 require proof, in a form prescribed by the director, of the
15 contributions made pursuant to subsection (b).

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



1 (h) 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. The list shall be posted on each
5 respective agency's official website and shall be updated
6 annually.

7 (i) The director of taxation may adopt rules pursuant to
8 chapter 91 to implement this section.

9 (j) As used in this section, "qualified Hawaii cultural
10 organization" has the same meaning as in section 201-A."

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

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



- 1 (b) The director of finance of the city and county of
2 Honolulu, in consultation with the directors of finance of the
3 counties of Kauai, Maui, and Hawaii; chiefs of police of the
4 city and county of Honolulu and the counties of Kauai, Maui, and
5 Hawaii; and director of business, economic development, and
6 tourism, shall establish a special number plate design that:
- 7 (1) Contains words, images, or both, that indicate the
8 special number plate is issued to support the Hawaii
9 cultural trust;
- 10 (2) Is similar in shape and size to the uniform state
11 number plate prescribed by law; and
- 12 (3) Does not obstruct the visibility of the numbers or
13 letters or any other information that is required by
14 law to be on a number plate and is readily
15 identifiable and distinguishable under actual traffic
16 conditions.
- 17 (c) The special number plate design shall not:
- 18 (1) Infringe upon or otherwise violate any trademark,
19 trade name, service mark, copyright, or other
20 proprietary or property right;



- 1 (2) Represent any obscene or degrading image, idea, word,
2 or phrase;
- 3 (3) Advertise or endorse a product, brand, or service that
4 is provided for sale;
- 5 (4) Promote any religious belief; or
- 6 (5) Promote any philosophy based on prejudice or that is
7 contrary to state civil rights laws.
- 8 (d) Each special number plate shall be securely fastened
9 to the motor vehicle in lieu of the uniform state number plate.
- 10 (e) The director of finance shall charge a special number
11 plate fee at least equal to the county's cost of providing the
12 special number plate and administrative costs, if any, plus a
13 fundraising fee to be determined by the director of finance in
14 consultation with the director of business, economic
15 development, and tourism. The fundraising fee shall be in
16 addition to any other state or county fees collected for a motor
17 vehicle registration or license plate.
- 18 (f) The director of finance may charge an additional
19 fundraising fee of the same or a different amount as the
20 fundraising fee established pursuant to subsection (e), for the
21 renewal of a special number plate. If an additional fundraising



1 fee is implemented pursuant to this subsection, the director of
2 finance shall revoke the special number plate of any registered
3 owner of a motor vehicle who fails to pay the additional
4 fundraising fee imposed by this subsection.

5 (g) The revenue generated by the fundraising fees, or a
6 portion of the revenue generated by the fundraising fees as
7 determined by the director of finance, shall be deposited in the
8 name of the Hawaii cultural trust into the Hawaii cultural trust
9 account. The director of finance shall determine the most
10 efficient means of directing the revenue generated by the
11 fundraising fees to the Hawaii cultural trust.

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

17 (i) Nothing in this section shall be construed to apply to
18 any plates issued pursuant to sections 249-9.2, 249-9.5, 249-
19 9.6, 249-9.7, 249-9.8, and 249-9.9.



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

4 SECTION 5. In codifying the new sections added by section
5 2 of this Act, the revisor of statutes shall substitute
6 appropriate section numbers for the letters used in designating
7 the new sections in this Act.

8 SECTION 6. New statutory material is underscored.

9 SECTION 7. This Act shall take effect upon its approval;
10 provided that section 3 of this Act shall apply to taxable years
11 beginning after December 31, 2025.



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. Establishes an income tax credit for contributions made to the Hawaii Cultural Trust and qualified Hawaii cultural organizations, under certain conditions. Establishes a special number plate for motor vehicles to support the Hawaii Cultural Trust. Applies to taxable years beginning after 12/31/2025. (HD1)

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

