
A BILL FOR AN ACT

RELATING TO COCONUT TREES.

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 "§235- Natural management of the coconut rhinoceros
5 beetle tax credit. (a) There shall be allowed to each taxpayer
6 subject to the tax imposed under this chapter, who is not
7 eligible to be claimed as a dependent for federal or state
8 income taxes by another taxpayer and who files an individual
9 income tax return for a taxable year, a natural management of
10 the coconut rhinoceros beetle tax credit that shall be applied
11 against the taxpayer's net income tax liability, if any, imposed
12 by this chapter for the taxable year in which the credit is
13 properly claimed.

14 (b) The amount of the tax credit shall be equal
15 to per cent of the qualified costs incurred by the
16 taxpayer to implement natural management practices of the



1 coconut rhinoceros beetle that result in consumable coconut
2 trees, or \$ _____, whichever is less.

3 (c) The standards for eligibility and certification of
4 costs for the tax credit shall be determined by the department
5 of agriculture and biosecurity. The taxpayer shall submit
6 verification or allow inspection as determined by the department
7 of agriculture and biosecurity; provided that the verification
8 shall include a certification by the taxpayer that no systemic
9 or prohibited pesticides have been applied to the coconut trees
10 and that only natural management practices approved by the
11 department of agriculture and biosecurity have been implemented.

12 (d) All claims for the tax credit under this section,
13 including any amended claims, shall be filed on or before the
14 end of the twelfth month following the close of the taxable year
15 for which the credit may be claimed. Failure to properly claim
16 the credit shall constitute a waiver of the right to claim the
17 credit.

18 (e) If the tax credit claimed by the taxpayer under this
19 section exceeds the amount of the income tax payments due from
20 the taxpayer, the excess of the credit over payments due may be



1 used as a credit against the taxpayer's income tax liability in
2 subsequent years until exhausted.

3 (f) No taxpayer who claims the tax credit under this
4 section shall claim any other credit for the same expenses or
5 costs.

6 (g) The director of taxation:

7 (1) Shall prepare any forms that may be necessary to claim
8 a tax credit under this section;

9 (2) May require proof of the claim for the tax credit; and

10 (3) May adopt rules pursuant to chapter 91 to effectuate
11 the purposes of this section.

12 (h) For the purposes of this section, "consumable coconut
13 tree" means a coconut tree managed without the application of
14 systemic or persistent pesticides that would render the coconut
15 water or meat unsafe for human consumption."

16 SECTION 2. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$ or so
18 much thereof as may be necessary for fiscal year 2026-2027 to
19 fund two full-time equivalent (2.0 FTE) environmental health
20 specialist IV positions to conduct inspections required pursuant



1 to the natural management of coconut rhinoceros beetle tax
2 credit.

3 The sum appropriated shall be expended by the department of
4 agriculture and biosecurity for the purposes of this Act.

5 SECTION 3. New statutory material is underscored.

6 SECTION 4. This Act shall take effect on July 1, 3000;
7 provided that section 1 shall apply to taxable years beginning
8 after December 31, 2026.



Report Title:

DAB; Taxation; Natural Management of Coconut Rhinoceros Beetle
Tax Credit; Appropriation

Description:

Establishes an income tax credit for qualified costs to
implement natural management of coconut rhinoceros beetles that
result in consumable coconut trees. Applies to taxable years
beginning after 12/31/2026. Appropriates funds. Effective
7/1/3000. (HD2)

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

