

ACT 105

H.B. NO. 3160

A Bill for an Act Relating to Tax Credits for S Corporation Shareholders.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 235-129, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Each shareholder of an S corporation shall be allowed a credit against the tax imposed by section 235-51 in an amount equal to the shareholder’s pro rata share of the tax credits described in sections 209E-10, 235-12, 235-71(c), 235-55.91, 235-110.6, 235-110.7, and 235-110.8. With the exception of the credit allowed by section 235-12, nonresident shareholders shall be allowed the credits allowed to resident shareholders which are earned by the S corporation in this State. The credit allowed by section 235-12 shall be allowed to nonresident shareholders to the extent the credit is earned by virtue of property purchased and placed in service in this State.”

SECTION 2. New statutory material is underscored.

SECTION 3. This Act, upon its approval, shall apply to taxable years beginning after December 31, 1991.

(Approved May 27, 1992.)