

ACT 101

H.B. NO. 2464

A Bill for an Act Relating to Tax Credits.

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

SECTION 1. Section 235-110.93, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) There shall be allowed to each taxpayer an important agricultural land qualified agricultural cost tax credit that may be claimed in taxable years beginning after the taxable year during which the tax credit under section 235-110.46 is repealed, exhausted, or expired. 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. The tax credit amount shall be determined as follows:

- (1) In the first year in which the credit is claimed, [~~twenty-five per cent of~~] the lesser of the following:
 - (A) [~~The~~] Twenty-five per cent of the qualified agricultural costs incurred by the taxpayer after July 1, 2008; or
 - (B) \$625,000;
- (2) In the second year in which the credit is claimed, [~~fifteen per cent of~~] the lesser of the following:
 - (A) [~~The~~] Fifteen per cent of the qualified agricultural costs incurred by the taxpayer after July 1, 2008; or
 - (B) \$250,000; and

ACT 101

- (3) In the third year in which the credit is claimed, [~~ten per cent of~~] the lesser of the following:
- (A) [~~The~~] Ten per cent of the qualified agricultural costs incurred by the taxpayer after July 1, 2008; or
 - (B) \$125,000.

The taxpayer may incur qualified agricultural costs during a taxable year in anticipation of claiming the credit in future taxable years during which the credit is available. The taxpayer may claim the credit in any taxable year after the taxable year during which the taxpayer incurred the qualified agricultural costs upon which the credit is claimed. The taxpayer also may claim the credit in consecutive or inconsecutive taxable years until exhausted.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act, upon its approval, shall apply to taxable years beginning after July 1, 2008.

(Approved June 19, 2014.)