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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 231, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§231-    Annual reports on tax credits or exemptions  
5 relating to economic development; posting on department website.

6           (a) For every authorized state tax credit or exemption that has  
7 a purpose related to economic development, the state agency  
8 required to certify or otherwise administer the tax credit or  
9 exemption shall submit a report to the department of taxation.  
10 If no agency is required to certify or administer the tax credit  
11 or exemption, or if certification or administration of the tax  
12 credit or exemption is not otherwise required, the department  
13 shall prepare the report. The department shall identify the  
14 relevant authority and notify the respective agencies of the  
15 requirements of this section no later than August 1 of each  
16 year.



1        (b) Each report shall include the following information,  
2 if it is already available in an existing database maintained by  
3 the agency or the department:

4        (1) The name of each taxpayer approved for the tax credit  
5        or exemption;

6        (2) The address of the taxpayer;

7        (3) The total amount of credit against tax liability,  
8        reduction in taxable income, or exemption from  
9        property taxation granted to the taxpayer;

10       (4) Specific outcomes or results required by the tax  
11       credit or exemption and information about whether the  
12       taxpayer meets the requirements. The information  
13       shall be based on data already collected and analyzed  
14       by the agency in administering the tax credit or  
15       exemption. If statistics are provided, a description  
16       of the methodology used in generating the statistics  
17       shall be included;

18       (5) An explanation of the agency's certification decision  
19       for the taxpayer, if applicable;

20       (6) Any other information submitted by the taxpayer and  
21       relied upon by the agency in its certification  
22       determination;



1       (7) Any other information that the agency deems valuable  
2           as providing context for the information required in  
3           this subsection; and

4       (8) Any other information required by the department.

5       (c) The information required by subsection (b) shall not  
6       include proprietary information or any other information exempt  
7       from disclosure as determined by the department.

8       (d) No later than September 30 of each year, an agency  
9       subject to subsection (a) shall submit to the department the  
10       information required under subsection (b) regarding applications  
11       for the tax credits or exemptions approved by the agency during  
12       the prior fiscal year. The information shall be posted on the  
13       department's website no later than December 31 and shall be  
14       accessible in the format and manner required by the department.  
15       The reports shall be separate from the report on tax credits  
16       required by section 231-3.4.

17       (e) The department shall adopt rules pursuant to chapter  
18       91 to implement this section."

19       SECTION 2. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$                    or so  
21 much thereof as may be necessary for fiscal year 2012-2013 for

1 the preparation and electronic posting of annual reports on tax  
2 credits or exemptions relating to economic development.

3 The sum appropriated shall be expended by the department of  
4 taxation 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, 2012.



**Report Title:**

Taxation; Tax Credits and Exemptions Relating to Economic Development; Reports; Website Posting; Appropriation

**Description:**

Requires state agencies or the department of taxation to prepare reports relating to authorized tax credits or exemptions that have a purpose related to economic development. Requires the department of taxation to post the reports on its website. Appropriates unspecified funds. (SD1)

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