
A BILL FOR AN ACT

RELATING TO TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 243, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§243- Aviation fuel tax credit for interisland airplane
5 carriers. (a) There shall be allowed to each interisland
6 airplane carrier an aviation fuel tax credit for the amount of
7 fuel taxes paid to a distributor, not exceeding \$ in
8 any taxable year. The tax credit under this section shall be
9 deducted from the taxpayer's net income tax liability, if any,
10 imposed by chapter 235 for the taxable year in which the credit
11 is properly claimed.

12 (b) If the tax credit under this section exceeds the
13 taxpayer's income tax liability under chapter 235, the excess of
14 credits over liability shall be refunded to the taxpayer;
15 provided that no refunds or payment on account of the tax
16 credits allowed by this section shall be made for amounts less
17 than \$1. All claims, including any amended claims, for tax
18 credits under this section shall be filed on or before the end



1 of the twelfth month following the close of the taxable year for
2 which the credit may be claimed. Failure to properly claim the
3 credit shall constitute a waiver of the right to claim the
4 credit.

5 (c) The director of taxation shall prepare forms as may be
6 necessary to claim a credit under this section. The director
7 may also require the taxpayer to furnish information to
8 ascertain the validity of the claim for credit made under this
9 section and may adopt rules necessary to effectuate the purposes
10 of this section pursuant to chapter 91.

11 (d) For purposes of this section:

12 "Interisland airplane carrier" means a business, person, or
13 entity that owns or operates one or more turbo propeller
14 airplanes to transport or convey baggage, passengers, or goods
15 between the islands of this State for a fee.

16 "Net income tax liability" means net income tax liability
17 reduced by all other credits allowed by law.

18 "Turbo propeller airplane" means an aircraft with a
19 turbojet engine used to drive an external propeller."

20 SECTION 2. New statutory material is underscored.

21 SECTION 3. This Act, upon its approval, shall apply to
22 taxable years beginning after December 31, 2011.



Report Title:

Aviation Fuel Tax Credit; Interisland Turbo Propeller Airplanes

Description:

Creates an aviation fuel tax credit for aviation fuel taxes paid by interisland airplane carriers to transport people and goods between the islands of this State using turbo propeller airplanes. (SD1)

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