

JAN 22 2016

A BILL FOR AN ACT

RELATING TO REPEAL OF THE CORPORATE INCOME TAX.

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

1 SECTION 1. The legislature finds that the state corporate
2 income tax structure burdens the growth, development, and
3 expansion of industry. Hawaii ranks thirty-first among the
4 states for business tax climate according to the Tax Foundation,
5 and last or nearly last among the states for business according
6 to CNBC and ALEC.

7 According to the department of business, economic
8 development and tourism's State of Hawaii Data Book 2014, the
9 number of Hawaii corporations on record continues to fall, from
10 32,508 in 2011 to 30,564 in 2014.

11 The council on revenues reported in September 2013 that the
12 corporate income tax contributes an estimated \$80,000,000
13 annually to the general fund. The impact of repealing the
14 corporate income tax will be offset by the creation of new jobs,
15 increased manufacturing and increased consumer spending. Local
16 businesses pay taxes on nearly all business related transactions
17 including purchases, sales, payroll, and real estate taxes,



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1 therefore relief from corporate tax liability will be
 2 significant. Relief will pass down to consumers, lowering the
 3 costs of goods, services and ultimately the cost of living.

4 The purpose of this act is to repeal the corporate income
 5 tax.

6 SECTION 2. Chapter 235, part IV, Hawaii Revised Statutes,
 7 is repealed.

8 SECTION 3. Chapter 235, part VII, Hawaii Revised Statutes,
 9 is repealed.

10 SECTION 4. Statutory material to be repealed is bracketed
 11 and stricken.

12 SECTION 5. This Act shall take effect on July 1, 2018.

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INTRODUCED BY:

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Report Title:

Corporate Income Tax

Description:

A bill to encourage economic growth by repealing the corporate income tax.

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