
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Chapter 235, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§235- Motor vehicle registration and inspection;
5 income tax credit. (a) There shall be allowed to each
6 qualified taxpayer subject to the tax imposed under this
7 chapter, a motor vehicle registration and inspection income tax
8 credit that shall be deductible from the taxpayer's net income
9 tax liability, if any, imposed by this chapter for the taxable
10 year in which the credit is properly claimed.

11 (b) In the case of a partnership, S corporation, estate,
12 or trust, the tax credit allowable is for qualified expenses
13 incurred by the entity for the taxable year. The expenses upon
14 which the tax credit is computed shall be determined at the
15 entity level. Distribution and share of credit shall be
16 determined by rule.



1 (c) The motor vehicle registration and inspection income
2 tax credit shall be equal to the qualified expenses of the
3 qualified taxpayer, up to a maximum of \$ _____.

4 (d) The director of taxation:

5 (1) Shall prepare any forms that may be necessary to claim
6 a tax credit under this section;

7 (2) May require the taxpayer to furnish reasonable
8 information to ascertain the validity of the claim for
9 the tax credit made under this section; and

10 (3) May adopt rules under chapter 91 necessary to
11 effectuate the purposes of this section.

12 (e) If the tax credit under this section exceeds the
13 taxpayer's income tax liability, the excess of the credit over
14 liability may be used as a credit against the taxpayer's income
15 tax liability in subsequent years until exhausted. All claims
16 for the tax credit under this section, including amended claims,
17 shall be filed on or before the end of the twelfth month
18 following the close of the taxable year for which the credit may
19 be claimed. Failure to comply with the foregoing provision
20 shall constitute a waiver of the right to claim the credit.

21 (f) As used in this section:



H.B. NO. 1215

1 "Qualified expenses" means expenses incurred by a qualified
 2 taxpayer for motor vehicle registrations, pursuant to sections
 3 249-31 and 286-51, and motor vehicle inspections, pursuant to
 4 section 286-26.

5 "Qualified taxpayer" means a resident of the State who
 6 resides within ten miles of the taxpayer's place of employment."

7 SECTION 2. New statutory material is underscored.

8 SECTION 3. This Act, upon its approval, shall apply to
 9 taxable years beginning after December 31, 2018.

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H.B. NO. 1215

Report Title:

Motor Vehicle Registration and Inspection; Income Tax Credit

Description:

Establishes an income tax credit for taxpayers who live within 10 miles of their place of employment to offset expenses incurred for motor vehicle registration and inspection.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

