A BILL FOR AN ACT

RELATING TO TAXATION.

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

SECTION 1. The purpose of this Act is to provide a temporary, refundable income tax credit to owners of real property for albizia tree trimming or removal performed under certain conditions.

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

"§235- Albizia tree trimming or removal; income tax credit. (a) There shall be allowed to each eligible taxpayer subject to the taxes imposed by this chapter, an income tax credit, which shall be deductible from the eligible taxpayer's net income tax liability, if any, imposed by this chapter for the taxable year in which the credit is properly claimed. The amount of the credit shall be ___ per cent of the qualifying costs incurred and paid by the eligible taxpayer during the taxable year for albizia tree trimming or removal; provided that the credit shall not exceed $___ per taxpayer.
in a taxable year. No taxpayer who claims a credit under this section shall claim any other credit for the same qualifying costs.

In the case of a partnership, S corporation, estate, or trust, the tax credit allowable is for qualifying costs incurred and paid by the entity for the taxable year. The cost upon which the tax credit is computed shall be determined at the entity level. Distribution and share of credit shall be determined pursuant to section 235-110.7(a).

(b) The credit allowed under this section shall be claimed against the net income tax liability for the taxable year.

(c) If the tax credit under this section exceeds the taxpayer’s income tax liability, the excess of credits over liability shall be refunded to the taxpayer; provided that no refunds or payment on account of the tax credit under this section shall be made for amounts less than $1. All claims, including any amended claims, for a tax credit under this section shall be filed on or before the end of the twelfth month following the close of the taxable year for which the credit may be claimed. Failure to comply with the foregoing provision shall constitute a waiver of the right to claim the credit.
(d) The director of taxation shall prepare any forms that may be necessary to claim a credit under this section. The director may also require the taxpayer to furnish information to ascertain the validity of the claim for credit made under this section and may adopt rules necessary to effectuate the purposes of this section pursuant to chapter 91.

(e) The credit allowed under this section shall be available for taxable years beginning after December 31, 2019, and shall not be available for taxable years beginning after December 31, 2021.

(f) As used in this section:

"Eligible taxpayer" means a taxpayer who:

(1) Owns real property in the State, on which there is an albizia tree or trees; and

(2) Is not claimed or is not otherwise eligible to be claimed as a dependent by another taxpayer for Hawaii state income tax purposes.

"Net income tax liability" means net income tax liability reduced by all other credits allowed under this chapter.

"Qualifying costs" means any cost incurred and paid by the taxpayer after December 31, 2019, for the trimming or removal of
any albizia tree or trees located on the taxpayer's property;
provided that the trimming or removal is performed by a
certified arborist who is currently insured and bonded and who
meets all applicable licensing requirements of the State, or by
a tree trimming or landscaping entity that is currently insured
and bonded and that meets all applicable licensing requirements
of the State, and whose staff includes a certified arborist."

SECTION 3. New statutory material is underscored.

SECTION 4. This Act, upon its approval, shall apply to
taxable years beginning after December 31, 2019, and shall be
repealed on January 1, 2022.

INTRODUCED BY:  

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JAN 18 2019
Report Title:
Invasive Species; Albizia Trees; Income Tax Credit

Description:
Provides a temporary, refundable tax credit to owners of real property for albizia tree trimming or removal performed under certain conditions. Applies to taxable years beginning after 12/31/2019, but shall not be available for taxable years beginning after 12/31/2021.

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