
A BILL FOR AN ACT

RELATING TO RESEARCH ACTIVITIES.

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

1 SECTION 1. Section 235-110.91, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:
3 "(a) Section 41 (with respect to the credit for increasing
4 research activities) and section 280C(c) (with respect to
5 certain expenses for which the credit for increasing research
6 activities are allowable) of the Internal Revenue Code shall be
7 operative for the purposes of this chapter as provided in this
8 section; provided that references to the base amount in section
9 41 of the Internal Revenue Code shall not apply and credit for
10 all qualified research expenses may be taken without regard to
11 the amount of expenses for previous years; provided further that
12 the federal tax provisions in section 41 of the Internal Revenue
13 Code, as that section was enacted on December 31, 2011,
14 irrespective of any subsequent changes to section 41 of the
15 Internal Revenue Code, shall remain in effect for purposes of
16 determining the state income tax credit under this section;
17 provided further that the federal tax provisions in section 41



1 of the Internal Revenue Code, as enacted on December 31, 2011,
2 irrespective of any subsequent amendments to section 41 of the
3 Internal Revenue Code, shall apply only to expenses incurred for
4 qualified research activities after December 31, 2012."

5 SECTION 2. New statutory material is underscored.

6 SECTION 3. This Act shall take effect on July 1, 2030, and
7 shall apply to taxable years beginning after December 31, 2014.



Report Title:

Tax Credit; Research Activities

Description:

Provides that, notwithstanding the provisions of the Internal Revenue Code to the contrary, the amount of the state tax credit for research activities shall be calculated based on all qualified research expenses for the taxable year instead of on the increase of expenses over past years. (HB1172 HD1)

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