

JAN 22 2021

A BILL FOR AN ACT

RELATING TO TAX CREDITS.

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

1 SECTION 1. The purpose of this Act is to require that new
2 income tax credits include a five-year sunset or a gradual
3 reduction that will force the legislature to review the
4 necessity and advisability of continuing the tax credit.

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

8 "§235- Tax credits; generally. Beginning January 1,
9 2022, any income tax credit established under this chapter shall
10 include either:

11 (1) A five-year sunset date; or

12 (2) Beginning with the sixth year of the credit, a one-
13 third annual reduction in the credit amount allowed to
14 be claimed, over a three-year period,

15 which shall trigger legislative review and determination of
16 whether an extension is advisable or necessary."


17 SECTION 3. New statutory material is underscored.



S.B. NO. 662

1 SECTION 4. This Act shall take effect on July 1, 2021.

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INTRODUCED BY: 



S.B. NO. 662

Report Title:

Income Tax Credits; Sunset

Description:

Requires that new income tax credits include a 5-year sunset or a gradual reduction.

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