

TAX FOUNDATION

O F H A W A I I

126 Queen Street, Suite 305, Honolulu, Hawaii 96813 Telephone 536-4587

www.tfhawaii.org

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2022 Administration Proposals			
Dept./No.	Description	Senate	House
[AGS-07]	Procurement Policy Board; Establishes special fund for automated procurement system	SB 3040 SD 1	HB 2072
[BED-06]	Tightening up Tax Credit for Research Activities	SB 3051	HB 2083
[BED-09]	Con Am; authorizes counties to issue tax increment bonds	SB 3053	HB 2085
[BED-10]	Expands funding sources and authorized uses of the Hawaii Film and Creative Industries Development Special Fund	SB 3054	HB 2086 HD 1
[BED-11]	Extends current sunset date of the motion picture, digital media, and film production income tax credit	SB 3055	HB 2087
[BED-13]	Allows property owners to finance qualified improvements through a non-ad valorem property assessment.	SB 3056	HB 2088 HD 2
[BED-15]	Low-moderate income zero-emission vehicle rebate program	SB 3058	HB 2090 HD 2
[BUF-17]	Makes an appropriation of \$1 billion into the rainy day fund.	SB 3074	HB 2106
[CCA-01]	Earmarks franchise tax to feed compliance resolution fund; if less than \$2M, takes from income tax revenues.	SB 3075 SD 2	HB 2107 HD 1
[GOV-01]	Extends state earned income tax credit until tax year 2028.	SB 3099	HB 2131
[GOV-02]	Constitutional Tax Refund for Resident Taxpayers (\$100 per person)	SB 3100	HB 2132
[HHL-03]	GET exemption for homestead development for DHHL	SB 3101 SD 1	HB 2133
[HTH-17]	Includes e-liquid and e-cigarettes as tobacco products, increases license and permit fees for retailers.	SB 3119	HB 2151
[HTH-23]	Eliminate the ceiling on the office of healthcare assurance special fund, to "reduce dependence on the general fund."	SB 3120 SD 1	HB 2152
[HTH-25]	Increases vehicle registration fee to fund accessible parking special account	SB 3121 SD 1	HB 2153
[LBR-04]	Amends definition of "adequate reserve fund", for SUI purposes, to exclude benefit cost rate from 6/2020-8/2021, effective through 2030.	SB 3128 SD 1	HB 2160
[TAX-01]	Conforms Hawaii income and estate and generation-skipping transfer tax laws	SB 3143	HB 2175

[TAX-02]	Clarifies procedure before State Taxation Board of Review.	SB 3144	HB 2176 HD 1
[TAX-03]	Administrative changes related to electronic filing, electronic funds transfers, tax clearances, interest rates and nonresident withholding. Significant enhancement of penalties.	SB 3145	HB 2177 HD 2
[TAX-04]	Requires laws that create, modify, or extend a tax benefit to contain detailed information. Allows public disclosure of identity and amount of any benefiting taxpayer.	SB 3146	HB 2178 HD 2
[TAX-05]	Allows DoTax to apply to convert tax liens to civil judgments.	SB 3147	HB 2179
[TRN-02]	Exempts State from payment of county stormwater user fees.	SB 3149	HB 2181

Legislative Tax Proposals				
Tax	Bill No.	Description	Status	Companion
Constitutional Amendment				
	HB 1208 HD 2	Proposes an amendment to the Hawaii State Constitution to repeal the exclusive power of the counties as to the functions, powers, and duties relating to the taxation of real property and authorize the State to also exercise those functions, powers, and duties. <i>Effective 7/1/2050.</i>	FIN	
Administration and Appeals				
	HB 1490	Establishes a civil penalty for failure to respond to an inquiry or request for information during a state tax examination or investigation. <i>Eff. Upon Approval</i>	FIN	
	HB 1492 HD 1	Establishes a civil penalty for failure to respond to the Department of Taxation in relation to an inspection or examination of records. <i>Eff. 7/1/2022.</i>	FIN	SB 2377
	HB 1493	Increases the amount of moneys maintained in the tax administration special fund. Amends the purpose of the fund. <i>Eff. Upon Approval</i>	FIN	SB 2380
	HB 1828 HD 1	Changes taxation board of review to 3 state employees. <i>Eff. Upon Approval; Section 7 eff. 7/1/2022, Section 1 eff. 1/1/2023</i>	FIN	SB 2476

	SB 2379 SD 1	Allows the Special Enforcement Section to examine any sector of Hawaii's economy, initiate civil investigations, and refer and recommend cases or examinations of segments of the economy to the Office Audit and Field Audit branches of the Department of Taxation for auditing. <i>Eff. Upon Approval</i>	WAM/JDC	HB 1494
Income				
	HB 1495 HD 1	Prohibits a production from qualifying for the motion picture, digital media, and film production tax credit if the production hires or compensates an employee of the State or county whose official capacity is related to issuing film permits or facilitating film production. Requires a taxpayer claiming the tax credit to identify any such employee in the statement submitted to DBEDT. <i>Eff. TYBA 12/31/2021.</i>	FIN	SB 2568 SD 1
	HB 1507	Increases the tax rate on capital gains. Makes the state earned income tax credit refundable and permanent <i>Eff. TYBA 12/31/2021.</i>	FIN	SB 2485
	HB 1513 HD 1	Increases the credit amount and the income eligibility cap thresholds for the income tax credit for low-income household renters by using tax brackets. <i>Effective 7/1/2050.</i>	FIN	SB 2165
	HB 1556	Creates a blood donation income tax credit to promote frequent blood donations. <i>Eff. TYBA 12/31/2021</i>	FIN	SB-2754
	HB 1569 HD 1	Increases the income threshold eligible to claim the refundable food/excise tax credit. <i>Eff. TYBA 12/31/2021.</i>	FIN	
	HB 1709 HD 1	Establishes an income tax credit for taxpayers who purchase and install a whole house water filter system. <i>Eff. TYBA 12/31/2021</i>	FIN	
	HB 1809 HD 2	Establishes a renewable fuels production tax credit. <i>Eff. 7/1/2100.</i>	FIN	SB-2434
	HB 1975 HD 1	Amends the definitions to improve accessibility for providers to receive income tax credits for acting as preceptors. <i>Eff. 7/1/2060</i>	FIN	SB 3208 SD 1
	HB 2226 HD 1	Establishes a per-taxpayer cap (includes related entities) and amends aggregate cap for Tax Credit for Research Activities. <i>Eff. TYBA 12/31/2021</i>	FIN	SB 2599
	HB 2406	Makes the earned income tax credit refundable and permanent. <i>Eff. TYBA 12/31/2021</i>	FIN	
	HB 2437 HD 1	Establishes a \$10,000 income tax credit for physicians, osteopathic physicians, and nurses who are licensed and actively practicing in the State. <i>Eff. July 1, 2060</i>	FIN	
	HB 2510 HD 1	Omnibus bill to raise minimum wage and enhance credits for low-income taxpayers. <i>Eff. 12/25/2040</i>	FIN	

	SB 1315	Establishes a food manufacturer tax credit. Defines qualified taxpayers as manufacturers that produce value-added products using local crops. <i>Eff. TYBA December 31, 2021.</i>	WAM	
	SB 1316	Establishes an agricultural production tax credit for agricultural producers who produce at least fifty per cent of food crops for local consumption. <i>Eff. TYBA December 31, 2021</i>	WAM	
	SB 2167 SD 1	Creates a nonrefundable twenty percent film infrastructure tax credit. <i>Eff. TYBA 12/31/2021; Section 2 Eff. 7/1/2022</i>	WAM	HB 2228 HD 1
	SB 2242	Increases income tax. Exempts unemployment payments. <i>Eff. TYBA 12/31/2021, provides exclusion for unemployment retro to 1/1/2022</i>	WAM	HB 1505
	SB 2255 SD 1	Eliminates the mortgage interest deduction for second homes under Hawaii income tax law. <i>Eff. TYBA 12/31/2021</i>	WAM	
	SB 2337	Requires that new income tax credits established or renewed after 12/31/2022 include a five-year sunset or an annual one-third reduction. <i>Eff. 7/1/2022</i>	WAM	HB 2236
	SB 2353	Creates an exclusion from income tax for the lesser of a percentage of gross annual income or an amount of gross annual income earned by a farmer from farming activities. <i>Eff. 7/1/2022 TYBA 12/31/2021</i>	WAM	HB 2043
	SB 2435	Clarification of important agricultural land tax credit and extension. <i>Eff. TYBA 12/31/2021</i>	WAM	HB 2190
	SB 2478 SD 1	Reinstates the renewable fuels production tax credit. <i>Eff. TYBA 12/31/2021</i>	WAM	HB 2002 HD 1
	SB 2511 SD 1	Expands the renewable energy technologies income tax credit to include firm renewable energy systems. Caps the total amount of tax credits for each firm renewable energy system at \$750,000. <i>Eff. TYBA 12/31/2021</i>	WAM	HB 2003
	SB 2599	Adds a cap for an eligible taxpayer and the taxpayer's related entities per taxable year; consolidates the survey and certification requirements; amends the annual aggregate cap; and requires certification on a first-come, first-served basis to be based on the date a complete application is received, subject to certain conditions, for the tax credit for research activities.	WAM	HB 2226 HD 1
	SB 2654	Establishes an income tax credit for water rationing systems. <i>Eff. TYBA 12/31/2021</i>	WAM	HB 2262
	SB 2752 SD 1	Establishes an income tax credit for qualified taxpayers who are required to fill and seal abandoned wells on their real property. <i>Eff. 7/1/2050</i>	WAM	
	SB 2837 SD 1	Establishes a spay and neuter special fund and allows funds from an income tax check-off to be deposited into the special fund. <i>Section 3 Eff. TYBA 12/31/2021, Sections 4-5 Eff. 7/1/2022</i>	WAM	HB 1610

	SB 2860 SD 1	Refundable credit for water catchment system meeting certain requirements on residential property in the State. <i>Eff. 7/1/2050</i>	WAM	HB 1631 HD 1
	SB 3099	Extends the availability of the state earned income tax credit until tax year 2028. <i>Eff. Upon Approval</i>	WAM	HB 2131
General Excise/Use				
	HB 1407	Restricts GET wholesale rate to where subsequent sale is at retail rate. <i>Eff. 7/1/2022</i>	FIN	SB 2020
	HB 1960 HD 1	Aligns the GET exemption for unrelated trade or business activities of nonprofit organizations with the federal UBIT definition. <i>Eff. 1/1/2050</i>	FIN	SB 3201
	HB 2414	Establishes a general excise tax exemption for the gross proceeds or income from the manufacture, production, packaging, and sale of diapers. <i>Eff. 7/1/2022</i>	FIN	
	HB 2466 HD 2	Exempts the gross proceeds or income received from the sale of any product resulting from the cultivation and production of unprocessed taro in the State from the general excise tax. <i>Eff. 7/1/2050, TYBA 12/31/2021</i>	FIN	
	SB 2303	Allows taxpayers with annual GET liability of \$100 or less to skip periodic returns. <i>Eff. TYBA 12/31/2022</i>	WAM	
	SB 2475 SD 1	Clarifies that amounts received or accrued for stevedoring services, wharfage, and demurrage services are exempt under the general excise tax law. <i>Eff. 1/1/2050.</i>	WAM	HB 1627
	SB 2509	Repeals an exemption to the general excise tax for genetically engineered agricultural products in an Enterprise Zone. <i>Eff. Upon Approval</i>	WAM	
	SB 2863 SD 1	Exempts the sale of feminine hygiene products from the general excise tax. <i>Eff. 1/1/2023</i>	3rd	HB 1636
	SB 2954 SD 1	Provides an exemption from the GET, beginning January 1, 2023, for the sale of feminine hygiene products in the State. <i>Eff. 1/1/2023</i>	WAM	
Transient Accommodations				
	HB 1839 HD 2	Provides that camper vans are transient accommodations subject to TAT. <i>Eff. 1/1/2050</i>	FIN	SB 2358
	HB 2049	Amends or repeals various provisions of the Hawaii Revised Statutes or the Session Laws of Hawaii for the purposes of correcting errors and references, clarifying language, or deleting obsolete or unnecessary provisions. <i>Eff. Upon Approval</i>	3rd	SB 3309
Fuel				
	SB 2721 SD 1	Establishes the flight assistance tax on aviation fuel to be placed in the Flight Assistance Tax Special Fund for certain uses. <i>Eff. 1/1/2023</i>	WAM	

	SB 3170 SD 1	Permits the County of Hawaii to appropriate the county's share of fuel tax revenue for the maintenance of substandard private subdivision roads that are used by the public. <i>Eff. 1/1/2050</i>	WAM	
Liquor				
	SB 2331	Expands the definition of "beer" to specify an alcohol by volume of no less than 0.5 per cent and to include alcohol seltzer beverages. <i>Eff. 1/1/2023</i>	3rd	HB 2370
Tobacco				
	SB 2278 SD 1	Includes electronic smoking devices within the definition of "tobacco products", as used in the cigarette tax and tobacco tax law. <i>Eff. 1/1/2023</i>	JDC/WAM	
	SB 2376 SD1	Repeals and eliminates the deferred payment purchase option for cigarette tax stamps. Requires licensees to pay for stamps at the time of purchase using cash, certified check, or bank transfer. <i>Eff. 1/1/2023</i>	3rd	HB 1491 HD 1
Conveyance				
	HB 2041 HD 1	Increases the percentage of the land conservation fund that may be used for costs related to the operation, maintenance, and management of lands acquired by the fund. Increases the maximum dollar amount of the conveyance tax distribution to the land conservation fund. <i>Eff. 7/1/2050</i>	FIN	SB 2351 SD 1
	SB 2237 SD 1	Conveyance tax hike for condominiums and single family residences ineligible for a county homeowner's exemption with a value of at least \$2,000,000. Exempts real property used for the provision of affordable housing for qualified persons in the State. Removes maximum dollar amount of conveyance tax revenues that are to be paid into the rental housing revolving fund each fiscal year.. <i>Eff. 1/1/2023</i>	WAM	
Motor Vehicle				
	HB 1452 HD1	Repeals the limitation on the amount that a county may increase the fee for certificates of registration for motor vehicles other than U-drive motor vehicles. <i>Eff. Upon approval</i>	FIN	SB 2055
	HB 1688 HD 1	Subjects U-drive motor vehicles to the same motor vehicle registration fees as other motor vehicles. <i>Eff. Upon approval</i>	FIN	SB 2572
	SB 355 SD 1	Reduces the annual vehicle registration fee by fifty per cent for disabled veterans who are fifty per cent or more disabled. <i>Eff. 7/1/2021</i>	WAM	
	SB 3313 SD 1	Replaces \$50 annual vehicle registration surcharge for electric vehicles with a capped mileage-based road user fee for electric vehicles. <i>Eff. 1/1/2050</i>	WAM	
Rental Motor Vehicle Surcharge				
	HB 1971 HD 2	Authorizes peer-to-peer car-sharing and establishes regulations thereof. Imposes the car-sharing surcharge tax on peer-to-peer car-sharing programs. <i>Eff. 7/1/2050</i>	FIN	SB 3271

Unemployment				
	HB 2469 HD 1	Establishes unemployment compensation insolvency special fund. <i>Eff. 12/25/2040</i>	FIN	
	HB 2471 HD 1	Provides that "adequate reserve fund" for SUI purposes excludes benefit cost rate from 6/2020 - 8/2021. Effective through 2030. <i>Eff. 12/25/2040</i>	FIN	Similar to SB 3128 (LBR-04)
Real Property				
	HB 1209 HD 2	By 1/1/2026, requires the department of taxation to suspend and refund certain income tax amounts received or withheld upon the enactment of a state law specifying real property tax amounts. Takes effect upon the ratification of a constitutional amendment authorizing the State to have additional real property taxing authority.	FIN	
	HB 1637 HD 1	Authorizes a county to impose an annual in-lieu fee on land or improvements on land that are actively used to produce or store renewable energy that is sold to an electric utility, but prevents it from applying its real property tax to that land. <i>Eff. 7/1/2100.</i>	FIN	SB 2722
Multiple Tax Types				
	HB 1982	[Income, General Excise] Establishes a tax withholding requirement for all payments to loan-out companies (used in motion picture / TV production). <i>Eff. 7/1/2022, applicable to payments after 6/30/2022</i>	FIN	SB 2079 SD 1
	HB 2278 HD 1	[Income, Fuel] Amends the environmental response, energy, and food security tax to become a carbon tax. Establishes a refundable income tax credit to mitigate the effect of a carbon emissions tax on taxpayers. <i>Eff. 7/1/2100</i>	FIN	
	SB 2007 SD 1	[Income, Fuel] Imposes a carbon tax on aviation fuel. Rate is \$6.25 per ton of CO ₂ . Adds tax credit for lower income taxpayers. <i>Eff. Upon Approval</i>	WAM	HB 1639
	SB 3250 SD 1	[Income, Miscellaneous] Adds 16% and 19% brackets applicable to high income individuals, estates, and trusts. Convenes a working group to study imposition of a wealth tax. <i>Eff. 7/30/2075</i>	WAM	
Miscellaneous				
	HB 1448 HD 1	Allows counties as well as the State to impose traffic fines. <i>Eff. Upon approval</i>	FIN	SB 2051
	HB 1996	Amends the contents required to be submitted in each annual non general fund program measures report and non-general fund cost element report. <i>Eff. upon approval.</i>	FIN	
	HB 2511 HD1	Creates Hawaiian home lands special fund, appropriates \$600 million to it. <i>Eff. 7/1/2022</i>	FIN	SB 3359 SD 1
	SB 2054	Climate change mitigation impact fee on rental motor vehicles of \$__ per day or fraction thereof. <i>Eff. Upon Approval</i>	WAM	HB 1451

	SB 2150 SD 1	Authorizes the department of human services to provide housing assistance subsidies of up to \$500 per month to TANF and TAONF program participants who are participating in the first-to-work program. <i>Eff. 7/1/2050</i>	3rd	HB 2233 HD 1
	SB 2185 SD 1	Increases the fees for permits required for the purchase and use of fireworks. <i>Eff. 1/1/2023</i>	WAM	
	SB 2238 SD 1	Directs the Legislative Reference Bureau to conduct a study of a housing savings account system. (SB as introduced, and HB, would have implemented it.) <i>Eff. Upon Approval</i>	WAM	HB 1764
	SB 2950 SD 1	Increases the inspection fee for imported freight from \$0.75 per thousand pounds to five cents per pound (i.e., \$50 per thousand pounds). <i>Eff. Upon Approval</i>	WAM	
	SB 3054	Expands funding sources and authorized uses of the Hawaii Film and Creative Industries Development Special Fund. <i>Eff. Upon Approval</i>	WAM	HB 2086 HD 1
	SB 3182 SD 1	Establishes a wealth asset tax of one per cent of the state net worth of each individual taxpayer who holds \$20,000,000 or more in assets in the State. <i>Eff. 7/30/75</i>	WAM	
	SB 3192 SD 1	Establishes within the Department of Land and Natural Resources a visitor green fee program to collect a fee to allow visitors to visit a state park, beach, state-owned forest, hiking trail, or other state-owned natural area. Tourists who visit such areas without paying the fee are subject to civil fine. <i>Eff. 7/1/2050</i>	WAM	HB 2245
	SB 3289 SD 1	Hawaii Retirement Savings Program established for private sector employees. <i>Eff. 7/1/2022</i>	WAM	HB 2046