

TAX FOUNDATION

O F H A W A I I

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2022 Administration Proposals			
Dept./No.	Description	Senate	House
[AGS-07]	Procurement Policy Board; establishes special fund for automated procurement system and fee for each procurement to feed the fund	SB 3040 SD 1	HB 2072
[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 SD 1	HB 2086 HD 1
[BED-13]	Allows property owners to finance qualified improvements through a non-ad valorem property assessment.	SB 3056	HB 2088 HD 3
[BED-15]	Low-moderate income zero-emission vehicle rebate program	SB 3058	HB 2090 HD 2
[BUF-17]	Makes an appropriation of \$_____ into the rainy day fund.	SB 3074 SD 1	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 SD 1	HB 2131
[HHL-03]	GET exemption for homestead development for DHHL	SB 3101 SD 2	HB 2133
[HTH-23]	Eliminate the ceiling on the office of healthcare assurance special fund, to "reduce dependence on the general fund."	SB 3120 SD 2	HB 2152
[HTH-25]	Increases vehicle registration fee to fund accessible parking special account	SB 3121 SD 2	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 2	HB 2160
[TAX-01]	Conforms Hawaii income and estate and generation-skipping transfer tax laws	SB 3143	HB 2175
[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-05]	Allows DoTax to apply to convert tax liens to civil judgments.	SB 3147	HB 2179 HD 1

Legislative Tax Proposals				
Tax	Bill No.	Description	Status	Companion
Administration and Appeals				
	HB 1490 HD 1	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>	JDC	
	HB 1828 HD 3	Changes taxation board of review to 3 state employees. <i>Eff. 7/1/2050; Section 7 eff. 7/1/2022, Section 1 eff. 1/1/2023</i>	JDC	SB 2476
	SB 2377 SD 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>	ECD	HB 1492 HD 1
	SB 2379 SD 2	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>	ECD	HB 1494 HD 1
Income				
	HB 1507 HD 1	Increases the tax rate on capital gains. Makes the state earned income tax credit refundable and permanent <i>Eff. TYBA 12/31/2022.</i>	WAM	SB 2485
	HB 1631 HD 1	Refundable credit for water catchment system meeting certain requirements on residential property in the State. <i>Eff. 7/1/2050</i>	WTL	SB 2860 SD 1
	HB 1809 HD 3	Establishes a renewable fuels production tax credit. <i>Eff. 7/1/2100.</i>	EET	SB 2434
	HB 2510 HD 2	Omnibus bill to raise minimum wage and enhance credits for low-income taxpayers. <i>Eff. 12/25/2040</i>	LCA	
	SB 2165	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>	HSG	HB 1513 HD 1
	SB 2167 SD 2	Creates a nonrefundable twenty percent film infrastructure tax credit. <i>Eff. TYBA 12/31/2021; Section 2 Eff. 7/1/2022</i>	ECD	HB 2228 HD 1
	SB 2353 SD 1	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. 7/1/2050 TYBA 12/31/2021</i>	AGR	HB 2043
	SB 2435 SD 1	Clarification of important agricultural land tax credit and extension. <i>Eff. 7/11/2050 for TYBA 12/31/2021</i>	AGR	HB 2190
	SB 2478 SD 2	Reinstates the renewable fuels production tax credit. <i>Eff. 7/1/2050 for TYBA 12/31/2021</i>	EET/ECD	HB 2002 HD 1
	SB 2511 SD 2	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. 7/1/2050 for TYBA 12/31/2021</i>	1st	HB 2003

	SB 2599 SD 1	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.	ECD	HB 2226 HD 1
	SB 2654 SD 1	Establishes an income tax credit for water rationing systems. <i>Eff. TYBA 12/31/2050</i>	WAL	HB 2262
	SB 2752 SD 2	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>	WAL	
	SB 2837 SD 2	Establishes a spay and neuter special fund and allows funds from an income tax check-off to be deposited into the special fund. <i>Eff. 7/1/2050</i>	AGR	HB 1610
	SB 3208 SD 2	Amends the definitions to improve accessibility for providers to receive income tax credits for acting as preceptors. <i>Eff. 7/1/2060</i>	HHH	HB 1975 HD 1
General Excise/Use				
	HB 2414 HD 1	Establishes a general excise tax exemption for the gross proceeds or income from the manufacture, production, packaging, and sale of diapers. <i>Eff. 7/1/2050</i>	EET	
	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>	AEN	
	SB 2020 SD 1	Restricts GET wholesale rate to where subsequent sale is at retail rate. <i>Eff. upon approval</i>	ECD	HB 1407
	SB 2303	Allows taxpayers with annual GET liability of \$100 or less to skip periodic returns. <i>Eff. TYBA 12/31/2022</i>	ECD	
	SB 2475 SD 2	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>	FIN	HB 1627
	SB 2863 SD 2	Exempts the sale of feminine hygiene products from the general excise tax. <i>Eff. 7/1/2050</i>	ECD	HB 1636
	SB 3201 SD 1	Aligns the GET exemption for unrelated trade or business activities of nonprofit organizations with the federal UBIT definition. <i>Eff. upon approval</i>	ECD	HB 1960 HD 1
Transient Accommodations				
	HB 1839 HD 2	Provides that camper vans are transient accommodations subject to TAT. <i>Eff. 1/1/2050</i>	EET	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	JDC	SB 3309

		deleting obsolete or unnecessary provisions. <i>Eff. Upon Approval</i>		
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>	ECD	HB 2370
Tobacco				
	SB 2376 SD 1	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>	ECD	HB 1491 HD 1
Motor Vehicle				
	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>	TRS/GVO	SB 2572
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>	TRS/CPN	SB 3271
Unemployment				
	HB 2469 HD 1	Establishes unemployment compensation insolvency special fund. <i>Eff. 12/25/2040</i>	LCA	
	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>	LCA	Similar to SB 3128 (LBR-04)
Real Property				
	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>	EET/GVO	SB 2722
Multiple Tax Types				
	HB 1982 HD 2	[Income, General Excise] Establishes a tax withholding requirement for all payments to loan-out companies (used in motion picture / TV production). <i>Eff. 7/1/2050, applicable to payments after 6/30/2022</i>	EET	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>	EET	
Miscellaneous				
	HB 1448 HD 2	Allows counties as well as the State to impose traffic fines. <i>Eff. 7/1/2050</i>	GVO/TRS	SB 2051

	HB 1996 HD	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. 7/1/2050.</i>	WAM	
	HB 2511 HD 2	Creates Hawaiian home lands special fund, appropriates \$600 million to it. <i>Eff. 7/1/2022</i>	HWN	SB 3359 SD 2
	SB 2150 SD 2	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. 12/31/2050</i>	HSG/HHH	HB 2233 HD 1
	SB 3054 SD 1	Expands funding sources and authorized uses of the Hawaii Film and Creative Industries Development Special Fund. <i>Eff. 7/1/2050</i>	ECD	HB 2086 HD 1
	SB 3192 SD 2	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>	EEP	HB 2245
	SB 3289 SD 2	Hawaii Retirement Savings Program established for private sector employees. <i>Eff. 7/1/2050</i>	LAT	HB 2046