TAX FOUNDATION
OF HAWAII
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April 7, 2023

2023 Administration Proposals			
Dept./No.	Description	Senate	House
[ATG-04]	Increases fees for selling tobacco tax stamps. Increases funding limits for special fund controlled by Attorney General.	~~SB 1280 SD 1~~	HB 982 SD 2
[GOV-01]	Increases household and dependent care credit and household renters' credit. Increases state EITC to 40% of federal. Amends the brackets and credit amounts of the food/excise credit. (New tax credit for teacher's expenses, see HB 1327.)	~~SB 1347~~	HB 1049 HD 2
[TAX-01]	Conforms Hawai'i income and estate and generation-skipping transfer tax laws to Internal Revenue Code. Begins conforming to IRC 1341 (claim of right doctrine).	~~SB 1398 SD 1~~	HB 1100 SD 2
[TRN-01]	Exempts the State from county stormwater user fees.	~~SB 1399~~	HB 1101 SD 1

Legislative Tax Proposals				
Tax	**Bill No.**	**Description**	**Status**	**Companion**
Income	**Bill No.**	**Description**	**Status**	**Companion**
	HB 40 SD 1	General income tax credit of $_____ and/or deposits to rainy day fund and/or funding of post-employment benefits for state workers.	Xover	
	HB 607 SD 2	Tax credit for producers shipping agricultural products interisland.	Xover	
	HB 610 SD 1	Establishes the farm workforce retention tax credit for farm employers or owners of farm employers who employ eligible farm employees.	Xover	
	HB 612 SD 2	Creates an income tax credit up to $10,000 to alleviate the high costs of production for farmers, ranchers, and fishers.	Xover	
	HB 947 SD 2	Establishes a food manufacturer tax credit.	Xover	~~SB 1266~~
	HB 954 SD 1	Increases the tax bracket, personal exemption, and standard deduction amounts for 2023, and indexes the amounts for cost of living adjustment annually thereafter.	Xover	

Income	Bill No.	Description	Status	Companion
	HB 1193 SD 2	Changes to tax credits for research activities: Extends the repeal date, adds an unspecified cap amount, consolidates the survey and certification requirements.	Xover	
	HB 1327 SD 1	Establishes a tax credit for teachers who have paid out of pocket for classroom expenses.	Xover	
	HB 1373 SD 2	Establishes a workforce development incentive rebate program in lieu of the movie/TV production credit (one year only: 7/1/2023 – 7/1/2024). Establishes a film studio credit of 25% of the qualifying expenses for 10 years. Adopts extensive amendments to the movie/TV production credit, including: (1) changing the credit percentages to 20% of nonresident payroll expenses and 25% of resident payroll expenses, or 30% of resident payroll expenses if the production is an enhanced film production zone; (2) requiring each production to provide a shooting schedule and mandating that DBEDT conduct unannounced on-site audits to verify personnel and other facts reported in the pre-production registration; (3) reinstating the requirement that qualifying expenditures be verified by an independent third-party auditor; (4) adding several categories of noncreditable "excluded expenditures," including costs for work performed or footage shot outside the State unless the vendor is based in the State.	Xover	
	SB 281 HD 1	Allows a deduction for contributions to the State's HI-529 college savings program.	Disagree	
	SB 795 HD 1	Requires productions to provide evidence of reasonable efforts to comply with all requirements to qualify for the motion picture digital media, and film production income tax credit.	Xover	~~HB 1314 HD 1~~
	SB 1437 SD 1	Authorizes certain entities to elect to pay Hawai'i income tax at the entity level through pass-through entities.	Xover	~~HB 1362 HD 2~~
General Excise/Use	**Bill No.**	**Description**	**Status**	**Companion**
	HB 74 SD 2	GET exemption for servicing and maintenance of certain helicopters.	Xover	
	HB 1363 SD 2	Extends the period in which a county may adopt a surcharge on state tax, temporarily authorizes counties to amend the rates and uses of the surcharge.	Xover	SB 1568 SD 2

General Excise/Use	Bill No.	Description	Status	Companion
	SB 667 HD 1	For nonprofit organizations, limits GET to unrelated business taxable income.	Xover	
Tobacco	**Bill No.**	**Description**	**Status**	**Companion**
	SB 975 HD 3	Amends tobacco tax law to include e-cigs. Hikes licensing fees.	Xover	~~HB 833~~
Conveyance	**Bill No.**	**Description**	**Status**	**Companion**
	HB 908 SD 1	Increases ceiling on earmark to Land Conservation Fund from $5.1M to $9.8M.	Xover	
Multiple Tax Types	**Bill No.**	**Description**	**Status**	**Companion**
GET, TAT	HB 1375 SD 2	Establishes an Office of Tourism and Destination Management within DBEDT. Repeals the Hawai'i tourism authority.	Xover	
Fuel, Misc., Motor Vehicle	SB 1534 HD 3	Replaces the $50 annual vehicle registration surcharge for electric vehicles with a mileage-based road usage charge for electric vehicles. Vehicle owners can pay either the surcharge or the RUC until 6/30/2028.	Xover	
Miscellaneous	**Bill No.**	**Description**	**Status**	**Companion**
	SB 304 SD 2	Establishes a visitor impact fee program within the Department of Land and Natural Resources. Tourists are to be charged $50 for a one-year license to visit parks, beaches, and similar areas.	Xover	~~HB 1162 HD 2~~