TAX FOUNDATION
OF HAWAII
126 Queen Street, Suite 305, Honolulu, Hawaii 96813 Telephone 536-4587 www.tfhawaii.org

March 4, 2024

2024 Administration Proposals			
Dept./No.	Description	Senate	House
[ATG-02]	Increases cigarette stamp fees and earmarks it for Tobacco Enforcement Special Fund.	~~SB3030~~	HB2341 HD2
[BED-20]	Conveyance tax rate increases. Adds an exemption for a conveyance to an owner-occupant or renter-occupant.	~~SB3053~~	HB2364 HD2
[BUF-07]	Moves Hurricane Reserve Trust Fund into the State Treasury. Other technical amendments.	SB3067 SD 1	~~HB2378 HD 2~~
[BUF-10]	Reduces the amortization of the ERS fund from 30 to 20 years following recent actuarial guidance.	SB3070	~~HB2381 HD 1~~
[GOV-01]	(Green Affordability Plan) Provides for indexing for inflation income tax brackets, standard deduction, personal exemption, and certain credits.	~~SB3093~~	HB2404 HD 1
[GOV-03]	Adds a $25 TAT per accommodation to fund a newly created climate health and environmental action special fund. (*Quintuple Referral* in the Senate.)	~~SB3095~~	HB2406 HD 2
[GOV-15]	GET and TAT amnesty for converting a transient rental to a long-term rental. Conveyance tax exemption for real property furnished as a transient accommodation for 18 months beginning January 2023. Income tax capital gain exemption for certain transient accommodations sold before 2026.	~~SB3105~~	HB2416 HD 1
[HHL-06]	Technical corrections to $600 million appropriation in Act 279, 2022.	SB3109 SD1	HB2420 HD 2
[TAX-01]	Conforms the Income Tax and Estate/GSTT laws to federal Code as of 12/31/2023.	SB3173	HB2484 HD1
[TAX-02]	Repeals tax clearance certified copy fee. Adds penalties for failure to report taxable rents. Increases penalty for misrepresenting the absence of GET in purchase price.	~~SB3174 SD 1~~	HB2485 HD 1
[TAX-03]	Authorizes the Department of Taxation to serve administrative subpoenas outside the State.	SB3175 SD1	HB2486 HD 1
[TAX-04]	Provides deadlines for taxpayers under audit to comply with demands to produce documents and evidence. Documents not produced will be precluded upon appeal unless reasonable cause for nonproduction is shown.	SB3176 SD1	~~HB2487~~

[TAX-05]	Requires the chair of the Board of Review to have experience in Hawaii state taxes. (As opposed to being an attorney or CPA in active practice.)	SB3177 SD1	HB2488 HD 1
[TAX-06]	Permanently exempts senior software developers in the Department of Taxation from civil service.	~~SB3178~~	HB2489 HD1
[TRN-06]	Authorizes counties to adopt a county level road usage charge. Repeals the $50 cap on the charge on 7/1/2028.	SB3183 SD 2	~~HB2494~~
[UOH-09]	Increases the tax on cigarettes by 2c per stick. Benefits several special funds.	~~SB3193~~	HB2504 HD 2

Legislative Tax Proposals				
Tax	**Bill No.**	**Description**	**Status**	**Companion**
Administration and Appeals				
	HB1805 HD 1	Adds procedural safeguards for "payment under protest" lawsuits.	Xover	
	HB1806 HD 1	Conforms statutory provisions for tax appeals with judiciary procedures, allows appeal to be filed within 30 days after either "decision" or "final judgment."	Xover	

Constitutional Amendment	**Bill No.**	**Description**	**Status**	**Companion**
	SB3008 SD 2	ConAm: Allows counties to issue tax increment bonds and excludes such bonds from funded debt of the counties.	3rd	

Income				
	HB1652 HD 1	Income tax credit for educational supplies for DOE and head start program teachers, librarians, aides.	Xover	
	HB1662 HD1	Establishes a refundable child tax credit of up to $650 per dependent, phasing out at AGI $115,000	3rd	~~SB2660~~
	HB1660 HD1	Requires capital gains to be taxed at ordinary income rates.	3rd	~~SB2325~~
	HB1769 HD 2	Establishes tax credit for nonpaid family caregivers.	FIN	~~SB2473 SD 1~~

Income	Bill No.	Description	Status	Companion
	HB1776 HD 2	Increases applicable percentage of employment related expenses that may be claimed for the household and dependent care services tax credit, adds new definition of cost-of-living factor.	3rd	
	HB1784 HD 1	Temporarily reinstates the technology infrastructure renovation tax credit and expands the definition of "technology-enabled infrastructure".	Xover	SB2527 SD 1 3rd
	HB1803 HD 1	Reduces the pass-through entity level tax rate and allows the tax credit to be carried forward.	Xover	
	HB1957 HD 2	Amends R&D tax credit to increase cap, extend sunset to 2029, redefine eligible business.	3rd	
	HB2005 HD 2	Requires taxpayers be given notice of and opportunity to cure any failure to meet requirements of motion picture, digital media, and film production tax credit.	3rd	
	SB2725	When a pass-through entity pays Hawaii tax on behalf of its owners, the credit may be carried forward for Hawaii income tax purposes (unlike credit for out-of-state taxes paid).	3rd	~~HB2307~~

Income	Bill No.	Description	Status	Companion
	HB2767 HD 2	Various updates to the Renewable Fuels Production Tax Credit. Increases credit to 35¢/76k BTU. Adds $1/gal for locally produced renewable fuel. Adds $1/gal for sustainable aviation fuel. Extends credit period to 20 years. Changes statewide cap to _____.	3rd	SB3360 SD 1 3rd
	HB2779 HD1	Incrementally increases the amount of the income tax standard deduction from 2024 to 2031.	3rd	
	HB2780 HD1	Incrementally amends income tax rates for every other taxable year beginning after 12/31/2024.	3rd	
	SB2279 SD 2	Requires qualified tuition reduction for graduate assistants enrolled in graduate level coursework to be considered taxable income.	3rd	
	SB2497 SD 2	Amends R&D tax credit to increase cap, extend sunset to 2029, redefine eligible business.	3rd	

Income	Bill No.	Description	Status	Companion
	SB2959 SD 1	Income tax credit for medically related travel expenses not covered by insurance. Credit amount is __% of expenses for each taxpayer with AGI less than $_____.	Xover	
	SB3265 SD 2	Establishes Hawaii Film Advisory Council. Increases film tax credit cap to $60 M, extends sunset date of tax credit to 1/1/2039. Includes streaming platforms within definition of qualified production. Exempts from tax certified development of film studio facilities.	3rd	

General Excise/Use	Bill No.	Description	Status	Companion
	HB1675 HD 1	GET exemption for medical services provided by physicians and APRNs acting as primary care provider.	3rd	
	HB2570 HD 1	Requires out-of-state attorneys appearing in a local court or arbitration to have a GET license number and agree to pay (with local counsel) all state income tax due on Hawaii activities.	Xover	~~SB2995~~
	SB2514 SD 2	Requires out-of-state attorneys appearing in a local court or arbitration to have a GET license number and agree to pay (with local counsel) all state income tax due on Hawaii activities.	3rd	

Transient Accommodations	Bill No.	Description	Status	Companion
	HB2081 HD 2	Increases the TAT by 1 percentage point and adds a per-accommodation minimum tax of $50.	3rd	

Conveyance	Bill No.	Description	Status	Companion
	HB1592 HD 1	Increases the maximum amount of conveyance tax revenues allocated to the land conservation fund from $5.1 million to _____.	Xover	
	SB2044 SD 2	Establishes that the transfer of a controlling interest in an entity that owns real property in the state shall be subject to the conveyance tax. Requires __% of the tax to go to the Dwelling Unit Revolving Fund.	3rd	

Estate	Bill No.	Description	Status	Companion
	HB2652 HD1	For estate tax purposes, the marital deduction applies to the passage of any property to any immediate family member (spouse, child, sibling, parent, grandparent, grandchild, stepparent, stepchild, stepsibling, and equivalent adoptive relationships).	3rd	SB3289 SD 1 Xover
	HB2653 HD1	For estate tax purposes, allows a deduction for the value of qualified family-owned business interests. Recouples the unified credit amount to that provided in the IRC.	3rd	~~SB3445 SD 1~~

Multiple Tax Types	Bill No.	Description	Status	Companion
INCOME, TAT	SB2958	Revisor's Bill. Includes technical changes to income tax and TAT.	Xover	~~HB2660~~
GET, FUEL	HB2673 HD 2	Allows part of the GE and fuel taxes generated by the counties to be used to maintain private roadways that are open to the public.	3rd	~~SB2178 SD 1~~
TAT, CONVEYANCE	HB2686 HD 1	Hikes the TAT, Conveyance Tax by unspecified amounts with the additional funds to provide stabilization of property insurance.	Xover	SB3234 SD 1 3rd

Miscellaneous	Bill No.	Description	Status	Companion
	HB2091 HD 1	Repeals DOE School Impact Fees.	3rd	
	HB2113 HD 1	Establishes a new Pharmacist Workforce Assessment Fee, to be paid biennially.	Xover	
	HB2235 HD 1	Reclassifies or repeals non-general funds of DLIR.	Xover	
	HB2236 HD 1	Reclassifies or repeals non-general funds of Dept of Agriculture.	3rd	
	HB2237 HD 1	Repeals Hazard Mitigation Special Fund.	Xover	
	HB2238 HD1	Reclassifies or repeals non-general funds of DAGS.	3rd	
	HB2239 HD1	Reclassifies or repeals non-general funds of B&F.	3rd	
	HB2700 HD 3	Establishes the Hawai'i wildfire relief fund and corporation to provide compensation for property damage resulting from catastrophic wildfires in the State.	3rd	SB3344 SD 2 3rd
	HB2743 HD 2	Authorizes each county to assess a monthly cesspool pollution fee beginning in 7/1/2025 on real properties containing a cesspool.	3rd	~~SB2952~~
	SB3022 SD 2	Assesses the fee on each ride originated through a transportation network company application. Deposits fee revenues into the Safe Routes to School Program special fund.	3rd	
	SB3381 SD 2	Establishes the Lele community district to facilitate rebuilding in Lahaina. Establishes the Lele community special fund.	3rd	