TAX FOUNDATION
OF HAWAII
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May 4, 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~~ CCX
~~[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~~ NoHC
[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]	Limits to $1.5 million per year the county stormwater user fees that may be charged against or collected from the Department of Transportation.	~~SB 1399~~	HB 1101 CD 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.~~	CCX	
	~~HB 607 SD 2~~	~~Tax credit for producers shipping agricultural products interisland.~~	CCX	
	~~HB 610 SD 1~~	~~Establishes the farm workforce retention tax credit for farm employers or owners of farm employers who employ eligible farm employees.~~	CCX	
	~~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.~~	CCX	
	~~HB 947 SD 2~~	~~Establishes a food manufacturer tax credit.~~	NoHC	~~SB 1266~~
	HB 954 CD 1	Increases the household and dependent care services tax credit for five years. Increases the refundable earned income tax credit for five years. Increases the income thresholds and credit amounts of the refundable food/excise tax credit for five years. *Eff. TYBA 12/31/2022, repeals 12/31/2027.*	Final	

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.~~	NoHC	
	~~HB 1327 SD 1~~	~~Establishes a tax credit for teachers who have paid out of pocket for classroom expenses.~~	NoC	
	~~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.~~	NoHC	
	~~SB 281 HD 1~~	~~Allows a deduction for contributions to the State's HI 529 college savings program.~~	CCX	
	~~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.~~	NoHC	~~HB 1314 HD 1~~
	SB 1437 CD 1	Authorizes certain entities to elect to pay Hawai'i income tax at the entity level through pass-through entities. *Eff. TYBA 12/31/2022.*	Final	~~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.~~	CCX	

General Excise/Use	Bill No.	Description	Status	Companion
	HB 1363 CD 1	Extends the period within which a county may adopt a surcharge on state tax, under certain conditions, from 3/31/2019 to 12/31/2023. Authorizes, in certain instances, the use of county surcharge revenues for housing infrastructure in counties having a population of 500,000 or less. Temporarily authorizes counties that have previously adopted a surcharge on state tax to amend the uses of the surcharge to allow for housing infrastructure spending.	Final	~~SB 1568 SD 2~~
	~~SB 667 HD 1~~	~~For nonprofit organizations, limits GET to unrelated business taxable income.~~	CCX	
Tobacco	**Bill No.**	**Description**	**Status**	**Companion**
	SB 975 CD 1	Amends tobacco tax law to include e-cigs. Hikes licensing fees (tobacco license from $ 2.50 to $250.00, retail tobacco permit from $20 to $50)	Final	~~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.~~	CCX	
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.~~	CCX	
Fuel, Misc., Motor Vehicle	SB 1534 CD 1	Replaces the $50 annual vehicle registration surcharge for electric vehicles with a mileage-based road usage charge, not to exceed $50, for electric vehicles. Vehicle owners can pay either the surcharge or the RUC until 6/30/2028.	Final	
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.~~	CCX	~~HB 1162 HD 2~~

Legend: ** - Conference Draft not yet available.

CCX: Conference Committee met but failed to reach agreement.

NoHC: House conferees not appointed.

NoSC: Senate conferees not appointed.

NoC: Conferees not appointed by either side.