TAX FOUNDATION
OF HAWAII
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May 15, 2024

2024 Administration Proposals			
Dept./No.	Description	Senate	House
[BUF-10]	**Reduces the amortization of the ERS fund from 30 to 20 years following recent actuarial guidance.**	**SB3070 CD 1**	~~HB2381 HD 1~~
[GOV-01]	**(Green Affordability Plan) Provides for increased income tax brackets, standard deduction. New tax rate schedules kick in for TYBA 12/31/2024, 2026, 2028. New standard deduction amounts are provided for TYBA 12/31/2023, 2025, 2027, 2029, 2030. Eff. TYBA 12/31/2023.**	~~SB3093~~	**HB2404 CD 1**
[HHL-06]	**Technical corrections to $600 million appropriation in Act 279, 2022. Gets around appropriation restrictions by establishing a temporary special fund that lapses on 6/30/2026.**	**SB3109 CD 1**	~~HB2420 HD 2 SD 2~~ **NoSC**
[TAX-01]	**Conforms the Income Tax and Estate/GSTT laws to federal Code as of 12/31/2023.**	~~SB3173~~	**HB2484 CD 1**
[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. Eff. upon approval.**	~~SB3174 SD 1~~	**HB2485 HD 1 SD 2**
[TAX-03]	**Authorizes the Department of Taxation to serve administrative subpoenas outside the State. Eff. upon approval.**	~~SB3175 SD1~~	**HB2486 HD 1 SD 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 SD 1 HD 1 **CCX**	~~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.) Eff. 7/1/2024.**	~~SB3177 SD1~~	**HB2488 HD 1 SD 1**
[TAX-06]	**Permanently exempts senior software developers in the Department of Taxation from civil service. Eff. upon approval.**	~~SB3178~~	**HB2489 HD 1 SD 2**
~~[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 HD 2 **CCX**	~~HB2494~~
~~[UOH-09]~~	~~Increases the tax on cigarettes by 2c per stick. Benefits several special funds.~~	~~SB3193~~	HB2504 HD 2 SD 2 **CCX**

Legislative Tax Proposals				
Income				
	SB2725 CD 1	**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). Reduces the pass-through entity level tax rate. Eff. TYBA 12/31/2023.**	**To Gov**	~~HB2307~~
	SB2497 CD 1	**Amends R&D tax credit to extend sunset to 2029, redefine eligible business. Also reinstates conformity to federal code so the credit is based on incremental expenses and not gross expenses. Eff. TYBA 12/31/2023.**	**To Gov**	
General Excise/Use	Bill No.	Description	Status	Companion
	SB1035 CD 1	**Exempts medical and dental services provided by health care providers to patients who receive Medicaid, Medicare, or TRICARE benefits from the general excise tax. Eff. 1/1/2026.**	To Gov	
	~~HB2570 HD 1 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.~~	**NoSC**	~~SB2995~~
Estate	Bill No.	Description	Status	Companion
	~~SB3289 SD 1 HD 1~~	~~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).~~	**Recommitted to FIN**	~~HB2652 HD1~~
	~~HB2653 HD1 SD 1~~	~~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.~~	**NoHC**	~~SB3445 SD 1~~
Multiple Tax Types	Bill No.	Description	Status	Companion
INCOME, TAT	SB2958 HD 1	**Revisor's Bill. Includes technical changes to income tax and TAT. Eff. upon approval.**	**To Gov**	~~HB2660~~
TAT, CONVEYANCE, MISCELLANEOUS	SB3234 SD 1 HD 2 **CCX**	~~Hikes the TAT, Conveyance Tax by unspecified amounts with the additional funds to provide stabilization of property insurance. An additional temporary property insurance stabilization fee (imposed under the Insurance Code, but imposed like an additional recording fee) is also imposed on real property transactions in an unspecified amount. House companion bill HB2686 was turned into a study by WAM.~~		HB 2686 HD 1 SD 2 **CCX**

Miscellaneous	Bill No.	Description	Status	Companion
	HB40 CD 1	**Appropriates $300 million for the rainy day fund and $135 million to the pension accumulation fund. Declares that the State expenditure ceiling has been exceeded by $323 million (3%) because (1) The appropriations made in this Act are necessary to serve the public interest; and (2) The appropriations made in this Act meet the needs addressed by this Act.**	**To Gov**	
	HB2700 HD 3 SD 2	~~Establishes the Hawai'i wildfire relief fund and corporation to provide compensation for property damage resulting from catastrophic wildfires in the State.~~	**NoC**	SB3344 SD 2 HD 2 **CCX**
	HB2743 CD 1	**Requires the University of Hawaii to develop on overlay onto the Hawaii cesspool prioritization tool to identify specific priority areas. Eff. 7/1/2024.**	**To Gov**	~~SB2952~~

TYBA: Tax Years Beginning After.

Bold: Passed Legislature. Cleared for Final Reading or Transmitted to Governor

CCX: Conference Committee Meeting Scheduled but No Agreement Reached

NoSC: Senate conferees not appointed.

NoHC: House conferees not appointed.

NoC: No conferees appointed by either chamber.