TAX FOUNDATION
OF HAWAII
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2025 Administration Proposals			
Dept./No.	Description	Senate	House
[ATG-14]	Establishes the Maui Wildfires Settlement Trust Fund to be administered by the Attorney General. Appropriates funds.	SB 1320 SD 1	HB 1001 HD 1
[BED-22]	Amends use and extends collection of county surcharge revenues to 12/31/2047 in counties having a population of 500,000 or less.	SB 1333 SD 1	~~HB 1014~~
[DEF-03]	Renames the barrel tax and directs 5 cents per barrel to a new community readiness centers special fund.	SB 1379 SD 1	HB 1060 HD1
[GOV-01]	Establishes the Climate Mitigation and Resiliency Special Fund. Scrapes interest from rainy day fund to feed it.	SB 1395 SD 1	HB 1076 HD 1
[GOV-02]	Establishes the Climate Mitigation and Resiliency Special Fund and Economic Development and Revitalization Special Fund. Increases TAT to 12% in 2026.	SB 1396 SD 1	HB 1077 HD 2
[GOV-12]	Increases the tax rates for cigarettes and little cigars to __ cents per stick, amends the disposition of tax revenues. Repeals obsolete historical tax rates.	~~SB 1404~~	HB 1085 HD 2
[HHL-03]	GET and use tax exemption for DHHL homestead lots and housing development.	SB 1405 SD 1	HB 1086 HD 1
[HHL-05]	School impact fee exemption for DHHL housing developments.	~~SB 1407~~	HB 1088 HD 1
~~[HHL-10]~~	~~Caps county user fees at $100,000 for county services to DHHL for Hawaiian Home Lands properties.~~	~~SB 1409~~	~~HB 1090~~
[HTH-18]	Establishes the Universal Immunization Purchase Special Fund to be funded by new assessments against health insurers, health plans, mutual benefit societies, and fraternal benefit societies.	SB 1434 SD 1	HB 1115 HD 1
[HTH-35]	GET exemption for residential care services provided by contract with the Adult Mental Health Division of the Department of Health.	SB 1444 SD 1	~~HB 1125~~
~~[LBR-07]~~	~~Requires employers to enroll covered employees into the Hawaii Retirement Savings Program unless the employee opts out.~~	~~SB 1455~~	~~HB 1136~~
~~[LNR-05]~~	~~Establishes Environmental Stewardship fee program and Special Fund funded by revenues from visitors environmental stewardship license.~~	~~SB 1458~~	~~HB 1139~~

[LNR-16]	Reenacts the Historic Preservation Income Tax Credit, establishes a cap of the tax credit at $1,000,000. Sunsets 2030.	SB 1462	HB 1143 HD 1
[TAX-01]	Conforms Hawai‘i income and estate and generation-skipping transfer tax laws to federal code as of 12/31/2024.	SB 1464	HB 1145
[TAX-02]	Requires qualified member to include in income the member's share of taxes paid by an electing pass-through entity. To prevent a “double benefit.”	SB 1465 SD 1	HB 1146
[TAX-03]	For a nonresident, EITC is multiplied by ratio of Hawaii AGI to Federal AGI. Cuts off carryforward of nonrefundable EITC.	SB 1466	HB 1147
[TAX-04]	Clarifies that a notice of appeal relating to an appeal of a county tax is not required to be served on the Director of Taxation.	SB 1467	HB 1148
[TAX-05]	Repeals rarely claimed GET exemptions, for sugar cane farmers and contractor of the Patient Centered Community Care program.	SB 1468 SD 1	HB 1149
[TAX-06]	Suspends the statute of limitations on collections during the period an assessment is pending on appeal before the taxation board of review or tax appeal court.	SB 1469 SD 1	HB 1150
[TAX-07]	Repeals maximum tax rate for income tax withholding and allows for an amount more or less than one exemption for the standard deduction.	SB 1470	HB 1151
[TAX-08]	Permanent Civil Service exemption for certain positions within the Department of Taxation.	~~SB 1471~~	HB 1152 HD 1
[TRN-09]	Provides county authority to impose mileage-based road usage charge. Amends state milage-based road usage charge with regard to maximum and default rates.	SB 1480 SD 1	HB 1161 HD 2
[UOH-11]	Adds the Department of Taxation to the list of state agencies sharing data through the statewide longitudinal data system.	SB 1491 SD 1	HB 1172 HD 1

Legislative Tax Proposals				
Tax	**Bill No.**	**Description**	**Status**	**Companion**
Administration and Appeals				
	HB 1173	Requires Department of Taxation to state the assessment date on certificates of tax lien and release the lien when the underlying tax liability has become unenforceable by lapse of time.	FIN	

	HB 1174 HD 1	Allows for the interest earned on payments under protest in nontaxation cases if the claimant prevails. Establishes a procedure to avoid forfeiture when a payment under protest suit is filed prematurely.	FIN	
	HB 1175	Provides that appeals from Tax Appeal Court can be taken from either a dispositive order or final judgment.	JHA	
	SB 430 SD 1	Requires the Department of Taxation to provide refunds to taxpayers at the same interest rate as the federal government.	WAM	
	SB 651	Requires laws that enact, modify, or extend the availability of a tax expenditure to contain specific information, revenue estimates, and analyses before becoming law.	WAM	

Conveyance	Bill No.	Description	Status	Companion
	HB 85 HD 1	Restores 10% earmark from conveyance tax revenues to land conservation fund	FIN	
	HB 1410 HD 2	Establishes Supportive Housing Special Fund, restructures conveyance tax rates. Allocates portion of conveyance tax revenues to the Dwelling Unit Revolving Fund for county TOD infrastructure.	FIN	
	HB 739 HD 2	Establishes the Kamaaina Homes Program to provide funding to the counties to purchase voluntary deed restrictions from eligible homeowners or homebuyers.	FIN	~~SB 490~~
	HB 740 HD 2	Establishes the Accessory Dwelling Unit Financing and Deed Restriction Program	FIN	SB 491 SD 1

Estate	Bill No.	Description	Status	Companion
	HB 1235	Establishes a wealth asset tax of one per cent of the state net worth of each individual taxpayer who holds $20,000,000 or more in assets in the State. Under SB the tax is due every three years.	FIN	SB 313 SD 1
	SB 721 SD 1	Amends the exclusion amount of Hawaii's estate tax to $___. Repeals exemption under chapter 236D (which applies to 2012 and prior) for tax imposed on transfer of taxable estate located in Hawaii for nonresidents and nonresidents who are not citizens.	Second Reading	

Fuel	Bill No.	Description	Status	Companion
	SB 678 SD 1	Establishes the Agricultural Development and Food Security Special Fund. Requires a portion of the Environmental Response, Energy, and Food Security Tax to be deposited into the special fund.	WAM	

General Excise/Use	Bill No.	Description	Status	Companion
	HB 572 HD 1	Exempts food and groceries from the general excise tax. Expands a 2024 GET exemption to all medical and dental services.	FIN	
	HB 1215	GET exemption for contracting work done in a county with population >125, 000 <185,000	FIN	
	HB 1437 HD 1	GET exemption for nonprofit schools for income from sales or services).	FIN	
	SB 492 SD 1	Authorizes extension of county surcharge through 2045.	WAM	
	SB 681	Repeals the exemption to the general excise tax for agricultural businesses engaged in the production of genetically engineered agricultural products in an enterprise zone.	WAM	
	SB 1130 SD 1	GET exemption for construction rebuilding materials for properties in federally declared disaster areas. Only for rebuilding materials purchased from 07/1/2025 to 12/31/2028.	WAM	
	SB 1278 SD 1	Exempts from GET any grants received from the federal Restaurant Revitalization Fund (RRF) by an eligible business pursuant to the American Rescue Plan Act of 2021. Retroactive to 2021.	WAM	~~HB 937~~
	SB 1495 SD 1	GET exemption for retail sale of hearing aids.	WAM/CPN	
	SB 1610 SD 1	Makes Ohana Zones program permanent, GET exemption for ohana zones projects.	WAM	

Income Tax	Bill No.	Description	Status	Companion
	HB 303 HD 2	Expands the healthcare preceptor tax credit.	FIN	SB 1070 SD 1
	HB 476 HD 1	Increases the maximum capital gains tax rate to 9%. Increases the alternative capital gains tax for corporations to 5%.	FIN	
	HB 577 HD 2	Authorizes a tax credit for businesses that pay the public transportation costs of employees.	FIN	SB 970 SD 1
	HB 701 HD 2	Establishes a refundable Family Caregiver Tax Credit for nonpaid family caregivers.	FIN	~~SB 879~~
	HB 753 HD 1	Enhances the household and dependent care services credit and extends the 2023 temporary enhancements to 6/30/2030.	FIN	
	HB 795	Provides a tax credit to taxpayers and makes deposits to the emergency and budget reserve fund and other post-employment benefits trust fund. All amounts are blank. (Constitutionally required)	FIN	SB 325 SD 1
	HB 796 HD 1	Requires that income tax credits include a five-year sunset or an annual one-third reduction, beginning with the sixth year of the credit.	FIN	
	HB 949 HD 2	Allows allocation, transfer, sale or assignment of a low-income housing tax credit, extends sunset date of Act 129, Session Laws of Hawaii 2016 from 2027 to 2032.	FIN	
	HB 976 HD 2	Increases renewable fuels production tax credit.	FIN	~~SB 995~~
	HB 1417 HD 1	Creates an exclusion from income tax for the first $50,000 of income earned by farmers.	FIN	
	HB 547 HD 2	Establishes Spay and Neuter Special Fund, Income Tax Check-off	FIN	SB 1023 SD 1
	HB 707 HD 1	Establishes a state income tax deduction for contributions made to Hawai‘i 529 accounts through the college savings program or ABLE savings program.	FIN	
	HB 92 HD 2	Allows research and development tax credit for agricultural businesses.	FIN	

	SB 13 SD 1	Establishes an aquaculture investment tax credit	WAM	
	SB 82	Conforms the Hawaii income tax laws to the provision of the American Rescue Plan Act relating to tax treatment of restaurant revitalization grants.	WAM	
	SB 123 SD 1	Eliminates the home mortgage interest deduction for second homes under Hawaii income tax law.	WAM	
	SB 138 SD 1	Establishes a nonrefundable income tax credit for hurricane-resistant safe rooms.	WAM	
	SB 250 SD 1	Income tax credit for interisland shipping of agricultural products and inputs.	WAM	
	SB 328	Establishes an income tax credit for capital infrastructure costs incurred in the conversion of a dairy farm to a hog farm.	WAM	
	SB 338 SD 1	Temporarily reinstates the Technology Infrastructure Renovation Tax Credit and expands the definition of "technology-enabled infrastructure".	WAM	
	SB 349	Taxes capital gains income at the same rate as ordinary income.	WAM	
	SB 376 SD 1	Establishes a refundable income tax credit for construction or installation of improvements that increase the residence's fire safety rating.	WAM	
	SB 547 SD 1	Incentivizes the installation and use of gray water recycling systems and atmospheric water generators in the State by establishing an income tax credit.	WAM	
	SB 596	Establishes an income tax credit for the purchase of electric garbage trucks by qualified taxpayers.	WAM	~~HB 105~~
	SB 697 SD 1	Establishes a nonrefundable individual income tax credit for expenses paid to retrofit a residence with wind resistive devices.	WAM	~~HB 355~~
	SB 704	Permanently increases the state earned income tax credit to fifty per cent of the federal earned income tax credit.	WAM	~~HB 182~~

	SB 732 SD 1	Increases the total amount of tax credits amd extends sunset date for Motion Picture, Digital Media, and Film Production Income Tax Credit.	WAM	
	SB 754	Low income housing tax credit may be carried forward for 10 years.	WAM	
	SB 826	Low income housing tax credit does not apply to HRS 302A part VI-C (School Facilities Authority).	WAM	
	SB 944 SD 1	Permits reallocation of low income housing credit among partners in a partnership. Extends sunset date of credit to 2032.	WAM	
	SB 1013	Additional Earned Income Tax Credit for a dependent under the age of 18.	WAM	~~HB 183~~
	SB 1260 SD 1	Establishes an agroecological and climate-smart farming practices tax credit.	WAM	
	SB 1562 SD 1	Establishes the Combined Housing Operational Agriculture Mobilization Program and tax credit for land donated to the program.	WAM	
	SB 1633 SD 1	Creates Green Building tax credit for costs related to the construction of a primary structure made with at least thirty per cent Hawaii-grown hemp material.	CPN/WAM	
	SB 1649	Increases the State income tax rate on the highest income earners.	WAM	
	SB 1133 SD 1	Establishes a Long-Term Residential Lease Tax Credit for taxpayers who own and lease a dwelling unit located in a county that has adopted a rental unit price ceiling.	CPN/WAM	

Liquor	Bill No.	Description	Status	Companion
	HB 939 HD 1	Defines “low alcohol by volume spirits beverage”. Establishes a tax on low alcohol by volume spirits beverages.	FIN	SB 641 SD 1

Motor Vehicle	Bill No.	Description	Status	Companion
	HB 655 HD 1	Limits the required payment of unpaid motor vehicle taxes and fees to those in the most recent 5 consecutive years of delinquency.	JHA	~~SB 1097~~
	HB 657 HD 1	Exempts disabled veterans from State vehicle weight tax and repeals the exemption from annual vehicle registration fee.	FIN	~~SB 607~~

Rental Motor Vehicle & Tour Vehicle Surcharge	Bill No.	Description	Status	Companion
	SB 454 SD 1	Requires the rental motor vehicle surcharge tax to be pro-rated if the vehicle is rented or leased for a portion of the day.	WAM	

Transient Accommodations	Bill No.	Description	Status	Companion
	HB 504 HD 1	TAT hike to __%; imposes minimum per-night tax of $20 on rooms awarded through a membership, loyalty, or rewards program.	FIN	
	HB 604 HD 1	Hikes TAT by 1% with the additional money going to the Hawaiian Home General Loan Fund.	FIN	
	SB 986 SD 1	Lowers the minimum required balance in the tourism emergency special fund (which is fed by the TAT).	WAM	~~HB 447~~

Tobacco	Bill No.	Description	Status	Companion
	HB 441 HD 2	Increases the cigarette tax to __ cents per stick and amends the cigarette tax disposition of revenues.	FIN	
	SB 1528 SD 1	Hikes the tax on cigarettes from 16c to 18c per stick, allocates increase to Hawaii Cancer Research Special Fund.	WAM	

Unemployment	Bill No.	Description	Status	Companion
	HB 202 HD 1	Changes the UI Tax definition of "adequate reserve fund" for years 2026 to 2030 (drives up rates).	FIN	

Multiple Tax Types	Bill No.	Description	Status	Companion
Income, General Excise, Use	HB 1369	Repeals certain credits, deductions, and exemptions under the income tax, general excise tax, and use tax laws.	FIN	
Income, General Excise	HB 1498 HD 1	Amends Film Tax Credit by increasing tax credit, changing cap amounts; GET exemption for employment related costs borne by a payroll service provider. HB also defines movie/TV production as manufacturing for GET purposes.	FIN	SB 1629 SD 1
General Excise, Income, Unemployment	SB 125 SD 1	Extends the eligibility period of the State business tax credit and general excise tax exemption for qualified businesses within a State Enterprise Zone. Adds as eligible activities retail sales of tangible personal property manufactured and sold in the enterprise zone that is to be used or consumed by the purchaser and not for resale, the processing of value-added agricultural products grown within an enterprise zone, and the provision of professional services by health care professionals in health-care related sectors.	WAM	
General Excise, Income	SB 1043 SD 1	GET exemption for groceries and nonprescription drugs. GET hike over 4 years, to 6%. Exempts unemployment insurance benefits from income tax. Removes income tax liability for the first $100K income earned. Repeals tax reform enacted in 2024.	WAM	~~HB 959~~
Fuel, General Excise	SB 1244 SD 1	Allows for a percentage of general excise and fuel taxes generated by the counties to be used for maintenance of private roadways that are open to the public.	WAM	
Miscellaneous, Rental Motor Vehicle, TAT	SB 1659 SD 1	Adds a special assessment to the Rental Motor Vehicle Surcharge Tax, sunsetting in 10 years, to fund revenue bonds for the Lahaina Bypass North. Directs TAT collected from West Maui transient accommodations to fund the Lahaina Bypass North.	WAM	

Miscellaneous	Bill No.	Description	Status	Companion
	HB 422 HD 1	Repeals school impact fees. Transfers unencumbered balances of the school impact fee subaccounts to School Facilities Special Fund.	FIN	
	HB 455 HD 1	Establishes the Hawaii start-up business loan program and program special fund.	FIN	~~SB132~~
	HB 972 HD 1	Authorizes condominium associations and planned community associations located in a zoning district that allows for transient vacation rentals to impose an impact fee.	CPC	~~SB 1206~~
	HB 979 HD 1	Requires that a current GET license number for any rental income be filed with the complaint to the court for summary possession proceedings.	JHA	
	HB 1298 HD 2	Establishes a Government Employee Housing Revolving Fund Program and Government Employee Ninety—Nine Year Leasehold Rent to-Own Program.	FIN	SB 1235 SD 1
	HB 1457 HD 1	Authorizes Hawaiian Homes Commission to designate tax increment districts.	FIN	
	SB 35 SD 1	Establishes the Housing Efficiency and Innovation Subaccount within the Rental Housing Revolving Fund.	WAM	HB 417 HD 1
	SB 184	Increases the deposit and refund value for beverage containers from 5 cents to 10 cents.	WAM	~~HB 109~~
	SB 191 SD 1	Establishes the Hawaii low-income home energy assistance program. Requires PUC to assess ratepayers a percentage fee to fund the program.	WAM	
	SB 326 SD 1	Adds specifics to statutory criteria for the establishment and continuance of revolving funds.	WAM	
	SB 439	Requires the Board of Land and Natural Resources to adopt rules to impose user fees that solely apply to nonresidents visiting state parks and trails,	WAM	
	SB 486	Establishes a Pomaikai Hawaii Fund into which will be deposited __% of visitor green fees.	WAM	
	SB 855 SD 1	Broadens "employer" under Hawaii Retirement Savings Program. Requires automatic enrollment unless the employee opts out.	WAM	HB 847 HD 1

	SB 1033 SD 1	New punitive excise tax on certain taxpayers failing to sell excess single-family residences. Proceeds go to a new housing downpayment trust fund.	WAM/JDC	
	SB 1124 SD 1	Establishes a retail delivery safety fee of 50 cents per transaction involving retail delivery of a non-food item.	CPN/WAM	
	SB 1613 SD 1	Establishes the Hawai'i Cannabis and Hemp Office. Establishes taxes on the retail sale of adult-use cannabis and the sale of medical cannabis.	CPN/WAM	~~HB 1246~~
	SB 493 SD 1	Establishes the Veterinarian Workforce Development Special Fund. Establishes the Veterinarian Workforce Development Fee.	WAM	