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 2	~~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 2	~~HB 1076 HD 1~~
[GOV-02]	Establishes the Climate Mitigation and Resiliency Special Fund. Increases TAT to __% in 2026.	SB 1396 SD 3	~~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 SD 1	~~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 HD 1
[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 HD 1
[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 HD 1
[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 HD 1
[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 2	~~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 HD 1	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.	WAM	

	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.	JDC	
	HB 1175	Provides that appeals from Tax Appeal Court can be taken from either a dispositive order or final judgment.	JDC	
	SB 430 SD 1	Requires the Department of Taxation to provide refunds to taxpayers at the same interest rate as the federal government.	FIN	

Conveyance	Bill No.	Description	Status	Companion
	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.	HOU/WTL	
	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.	HOU	~~SB 490~~
	HB 740 HD 2	Establishes the Accessory Dwelling Unit Financing and Deed Restriction Program	HOU	~~SB 491 SD 1~~

Estate	Bill No.	Description	Status	Companion
	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.	FIN	

General Excise/Use	Bill No.	Description	Status	Companion
	HB 1437 HD 2	GET exemption for nonprofit schools for income from sales or services.	EDU	
	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.	ECD	~~HB 937~~
	SB 1610 SD 2	Makes Ohana Zones program permanent, GET exemption for ohana zones projects.	HSH	

Income Tax	Bill No.	Description	Status	Companion
	HB 303 HD 2	Expands the healthcare preceptor tax credit.	HHS	~~SB 1070 SD 1~~
	HB 476 HD 2	Increases the maximum capital gains tax rate to 9%. Increases the alternative capital gains tax for corporations to 5%.	WAM	
	HB 701 HD 3	Establishes a refundable Family Caregiver Tax Credit for nonpaid family caregivers.	HHS	~~SB 879~~
	HB 795 HD 1	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)	WAM	SB 325 SD 1 FIN
	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.	WAM	
	SB 328 SD 1	Establishes an income tax credit for capital infrastructure costs incurred in the conversion of a dairy farm to a hog farm.	AGR	
	SB 338 SD 2	Temporarily reinstates the Technology Infrastructure Renovation Tax Credit and expands the definition of "technology-enabled infrastructure".	ECD	
	SB 732 SD 2	Increases the total amount of tax credits and extends sunset date for Motion Picture, Digital Media, and Film Production Income Tax Credit.	ECD	
	SB 826 SD 1	Low income housing tax credit shall not be available for any development, planning, or construction by any department or agency of the State.	HSG	
	SB 944 SD 2	Permits reallocation of low income housing credit among partners in a partnership. Extends sunset date of credit to 2032.	HSG	
	SB 1023 SD 1	Establishes Spay and Neuter Special Fund, Income Tax Check-off	AGR	~~HB 547 HD 2~~
	SB 1133 SD 2	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.	HSG/ECD	

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.	CPN	~~SB 641 SD 1~~

Transient Accommodations	Bill No.	Description	Status	Companion
	HB 504 HD 2	TAT hike to __%; imposes minimum per-night tax of $20 on rooms awarded through a membership, loyalty, or rewards program.	EDT/WTL	

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.	HHS/HRE	

Unemployment	Bill No.	Description	Status	Companion
	HB 202 HD 1	Changes the UI Tax definition of "adequate reserve fund" to 150% of what it used to be, for years 2026 and thereafter (drives up rates).	LBT	

Multiple Tax Types	Bill No.	Description	Status	Companion
Income, General Excise, Use	HB 1369 HD 1	Repeals certain credits, deductions, and exemptions under the income tax, general excise tax, and use tax laws. Repeals **GET sublease deduction**, GET exemption for independent sugar cane farmers, GET exemption for interisland shipping agricultural commodities, GET exemption for rent of aircraft or aircraft engines, **GET exemption for sales to federal government**, Use Tax exemption for large fishing vessels constructed before mid-1969, **capital goods excise tax credit**, renewable fuels production credit, GET exemption for trande shows, GET exemption for stock exchanges, GET exemption for aircraft maintenance, GET exemption for petroleum refiners.	WAM	

General Excise, Income, Unemployment	SB 125 SD 2	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.	ECD	
General Excise, Income	SB 1043 SD 2	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.	ECD	~~HB 959~~

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.	HOU	
	HB 455 HD 1	Establishes the Hawaii start-up business loan program and program special fund.	EDT	~~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.	CPN	
	HB 1298 HD 3	Establishes a Government Employee Housing Revolving Fund Program and Government Employee Ninety—Nine Year Leasehold Rent to-Own Program.	HOU/LBT	~~SB 1235 SD 1~~
	~~SB 35 SD 1~~	Establishes the Housing Efficiency and Innovation Subaccount within the Rental Housing Revolving Fund.	WAM	HB 417 HD 1 Xover
	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.	EEP/HSH	

	SB 326 SD 1	Adds specifics to statutory criteria for the establishment and continuance of revolving funds.	FIN	
	SB 439 SD 1	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.	TOU/WALH	
	SB 1033 SD 2	New punitive excise tax on certain taxpayers failing to sell excess single-family residences. Proceeds go to a new housing downpayment trust fund.	HSG	