

Auditor's Summary

Review of Income Tax Provisions Pursuant to Section 23-96, Hawai'i Revised Statutes

Report No. 26-02



ILLUSTRATION: ISTOCK.COM

THIS REPORT ASSESSES several income tax incentives allowed under Hawai'i law. Sections 23-91 through 23-96, Hawai'i Revised Statutes (HRS), require the Auditor to review specific tax provisions on a five-year recurring cycle.

Specifically, for 2024 and every fifth year thereafter, Section 23-96, HRS, requires the review of the following income tax incentives:

- Credit to promote the purchase of child passenger restraint systems (Section 235-15, HRS);
- Credit for employment-related expenses for household and dependent care services (Section 235-55.6, HRS);
- Credit for a low-income household renter (Section 235-55.7, HRS); and
- Credit for food and excise tax (Section 235-55.85, HRS).

We determined that all four credits are meeting their stated or inferred purposes and recommend that they be retained.

This review informs the public and policymakers of the purposes, costs, and benefits of four Hawai'i income tax incentives, and includes recommendations to address issues arising from the incentives and their usage.



Link to the complete report:

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Hawai'i Revised Statutes**

<https://files.hawaii.gov/auditor/Reports/2026/26-02.pdf>