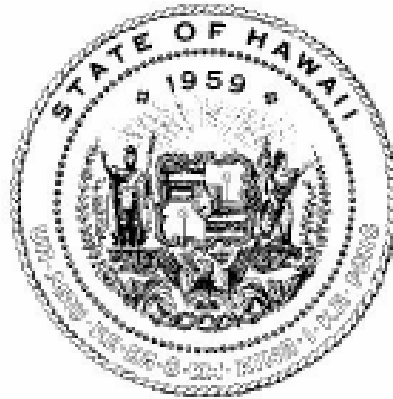


REPORT TO THE THIRTY-FIRST LEGISLATURE
2021 REGULAR SESSION
ON

THE HISTORIC PRESERVATION INCOME TAX CREDIT
FOR FISCAL YEAR 2019-2020



PREPARED BY:
STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

IN RESPONSE TO:
SECTION 235-110.97(I), HAWAII REVISED STATUTES,
HONOLULU, HAWAII

DECEMBER 2020

THE HISTORIC PRESERVATION INCOME TAX CREDIT FOR FISCAL YEAR 2019-2020

BACKGROUND

Chapter 235, Hawaii Revised Statutes, was amended by Act 267, Session Laws of Hawaii 2019, adding a new section to be appropriately designated as “§235- Historic preservation income tax credit...” to allow to each taxpayer subject to the tax imposed by this chapter a historic preservation income tax credit for substantial rehabilitation of a certified historic structure that shall be deductible from the taxpayer’s net income tax liability, if any, imposed by this chapter for the taxable year in which the tax credit is properly claimed.

ACCOMPLISHMENTS

During Fiscal Year (FY) 2018-2019, the Department of Land and Natural Resources’ State Historic Preservation Division (SHPD) developed an initial working draft of the Historic Preservation Income Tax Credit for internal review and in preparation for submittal under formal review and approval of the administrative rule making process. Furthermore, it is anticipated that it will take approximately 24 to 30 months before the formal review, including public meetings and subsequent revisions, conclude with final approval and acceptance.

During FY 2019-2020, SHPD continued to work completing a final draft of the Historic Preservation Income Tax Credit for submittal under the administrative rule making process for formal review and approval

FUTURE PROGRAMS

During FY 2020-2021 SHPD will continue to work completing a final draft of the Historic Preservation Income Tax Credit for submittal under the administrative rule making process for formal review and approval. It is anticipated to work with the State Department of Taxation to coordinate our two processes and procedures, so they are analogous.