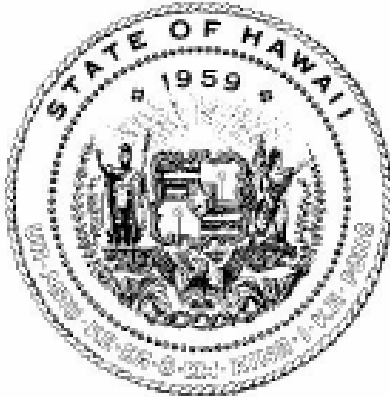


REPORT TO THE THIRTY-SECOND LEGISLATURE
2024 REGULAR SESSION

STATE HISTORIC PRESERVATION INCOME TAX CREDIT
FOR FISCAL YEAR 2022-2023



PREPARED BY:

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

IN RESPONSE TO
Section 235-110-97(l), Hawaii Revised Statutes,

HONOLULU, HAWAII
December 2023

STATE HISTORIC PRESERVATION INCOME TAX CREDIT
FOR FISCAL YEAR 2022-2023

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

The Department of Land and Natural Resources’ State Historic Preservation Division’s (SHPD) has implemented the standards and guidelines for the State Historic Preservation Tax Credit program. During Fiscal Year (FY) 2022-2023 two projects were completed. The total tax credit on the approved qualifying expenses for these projects totaled just under \$1,000,000, the cap imposed by statute on the total credit for any individual tax year.

FUTURE PROGRAMS

For FY 24, SHPD will be seeking to amend the Act 267, SLH 2019, and extend the State Historic Preservation Tax Credit from the current end date of December 31, 2024 to 2030, and incrementally raising the cap to \$4.5 million during that period.