Tax Credits

Claimed by Hawaii Taxpayers

Tax Year 2020

(January 1, 2020 – December 31, 2020)

Department of Taxation

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STATE OF HAWAII

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1. INTRODUCTION

This study examines tax credits that may be applied to reduce taxpayer's tax liability including Hawaii's net income taxes, the tax on insurance premiums, or the tax on public utilities. Tax credits are subtracted directly from the tax liability, so they reduce the amount of taxes dollar-for-dollar. This makes them more valuable to taxpayers than ordinary deductions, which reduce the amount of income against which tax is applied. Tax credits may be refundable or nonrefundable. If a tax credit is nonrefundable, it can provide a tax benefit only to the extent that the taxpayer has a tax liability.[1] In contrast, the taxpayer is ensured of receiving the full amount of a refundable tax credit in the year it is claimed. If the tax credit exceeds the tax liability, the taxpayer receives a check from the government for the difference.

The study reports the value of tax credits that either reduced a tax liability or that were refunded to taxpayers in tax year 2020. The study does not include the value of tax credits that were claimed in tax year 2020 if the tax credits were denied or carried over to a future year.

The tax returns examined for this study were those filed for tax year 2020 and processed by March 31, 2022. The tax year is the same as the calendar year for most taxpayers, but for taxpayers that have a fiscal year that differs from the calendar year, tax year 2020 is the fiscal year ending in calendar year 2020.

Hawaii's first tax credit was established in 1957 to avoid double taxation of income. Since then, numerous tax credits have been enacted. Most of them are designed to promote social welfare or to encourage certain industries or economic activities. There are a total of 22 active tax credits in 2020.[2] There were also 7 expired tax credits for which excess credits from prior years could be carried over into tax year 2020.[3]

The Department of Taxation (Department) has prepared studies on tax credits for tax years 1965, 1970, 1977 through 2005, and 2011 through 2020 (the present study).[4] The studies on tax credits produced for tax years before 1986 included only tax credits claimed by individuals. The studies for tax years after 1986 were expanded to include tax credits claimed by businesses, by fiduciaries (trusts and estates), and by exempt organizations

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[1] For most nonrefundable tax credits, the unused credits can be carried forward to future years, so the full value of the tax credit is usually realized eventually.

[2] The study does not include the tax credit from a regulated investment company or the credit for taxes withheld on the sale of Hawaii real property. These are not proper tax credits but are instead deductions from income tax that account for Hawaii income taxes already paid, similar to the deduction for taxes that were withheld on wages.

[3] The count of expired tax credits does not include the renewable energy technologies income tax credit for systems installed prior to July 1, 2009.

[4] Work on the studies was discontinued in 2009 owing to budgetary cutbacks. The study on tax credits for tax year 2011 was the first one produced since December 2007, when the study for tax year 2005 was published.

as well as the lifeline telephone service tax credit. The present study examines the following active and expired tax credits:

Active Tax Credits

Tax Credits to Promote Social Welfare

- Refundable Food/Excise Tax Credit
- Tax Credit for Low-Income Household Renters
- Tax Credit for Child and Dependent Care Expenses
- Tax Credit for Child Passenger Restraint Systems
- Tax Credit for Employment of Vocational Rehabilitation Referrals
- Low-Income Housing Tax Credit
- Tax Credit for School Repair and Maintenance
- Earned Income Tax Credit
- Lifeline Telephone Service Tax Credit

Tax Credits to Encourage Certain Industries or Economic Activities

- Fuel Tax Credit for Commercial Fishers
- Motion Picture, Digital Media, and Film Production Income Tax Credit
- Renewable Energy Technologies Income Tax Credit
- Enterprise Zone Tax Credit
- Important Agricultural Land Qualified Agricultural Cost Tax Credit
- Tax Credit for Research Activities
- Cesspool Upgrade, Conversion or Connection Income Tax Credit
- Renewable Fuels Production Tax Credit
- Organic Foods Production Tax Credit
- Healthcare Preceptor Income Tax Credit
- Historic Preservation Income Tax Credit

Tax Credits to Avoid Double Taxation or Pyramiding of Taxes

- Capital Goods Excise Tax Credit
- Income Tax Paid to Another State or Foreign Country

Expired Tax Credits

Tax Credits to Promote Social Welfare

- Individual Development Account Contribution Tax Credit

Tax Credits to Encourage Certain Industries or Economic Activities

- High Technology Business Investment Tax Credit
- Energy Conservation Tax Credit
- Hotel Construction and Remodeling Tax Credit
- Technology Infrastructure Renovation Tax Credit
- Residential Construction and Remodeling Tax Credit
- Capital Infrastructure Tax Credit

2. DATA SOURCE AND METHODOLOGY

The primary data source for the study is the GenTax program of the Department's Tax System Modernization (TSM). The data are from individual income tax returns (Forms N-11 and N-15), corporate income tax returns (Form N-30), fiduciary (estates and trusts) income tax returns (Form N-40) and exempt organization income tax returns (Form N-70NP). In addition, data from franchise tax returns (Form F-1) that are filed by banks and other financial corporations including building and loan associations, financial services and loan companies, and small investment companies are utilized. The data include all tax returns that were filed for tax year 2020 and processed by March 31, 2022, with a query run in April 2022. Some tax credits are reported directly on the tax returns, but most of them are reported on Schedules CR, "Schedule of Tax Credits." The tax credits reported on Schedules CR are summed and only the total is reported on the income tax returns. Therefore, the data on tax credits were obtained from tax returns in conjunction with Schedules CR, wherever applicable. The data on tax credits are before any adjustments by subsequent audits but they include the automatic adjustments the Department made when processing the tax returns.

Data on the lifeline telephone tax credit were obtained from the Public Utilities Commission and data on tax credits claimed by insurance companies were provided by the Insurance Division of the Department of Commerce and Consumer Affairs, which administers the tax on insurance premiums. The tax forms used for the study and their instructions are available on the Department's website at *tax.hawaii.gov*. The forms and instructions may also be obtained at any district tax office.

To maintain taxpayer confidentiality, the Department does not disclose tabulations containing data for 5 or fewer returns at the state level, 10 or fewer returns below the state level, and when an individual return represents a large percentage in a tabulation.

The data for the study come from 786,728 tax returns that were filed for tax year 2020. Table 1 shows the total number of each type of tax return examined for the study. Resident individual taxpayers filed the largest number of returns with 653,515. The second largest number is for nonresident individuals with 96,152, followed by nonfinancial corporations (18,747) and fiduciaries (16,203).

Table 1
Number of Tax Returns by Type of Taxpayer
for Tax Year 2020

Type of Taxpayer	Tax Form	Number of Returns
Individual - Resident	Form N-11	653,515
Individual - Nonresident / Part-Year Resident	Form N-15	96,152
Nonfinancial Corporation	Form N-30	18,747
Financial Corporation	Form F-1	287
Fiduciary	Form N-40	16,203
Exempt Organization	Form N-70NP	748
Insurance Underwriter*	Form 314	1,076
TOTAL		786,728

* Data supplied by the Insurance Division of the Department of Commerce and Consumer Affairs.

Table 2 shows the breakdowns by income class and by taxation district for the individual income tax returns included in the study (Forms N-11 and N-15).[5] The State has four taxation districts: District 1 is the City and County of Honolulu (Oahu), District 2 consists of Maui County, District 3 is Hawaii County and District 4 is Kauai County. The table also shows the number of individual income tax returns by six income classes. For residents (who file Form N-11), the income class is determined by the Hawaii Adjusted Gross Income (Hawaii AGI). For part-year residents and nonresidents (who file Form N-15), the income class is determined by total AGI, which is the taxpayer's global adjusted gross income as it would be defined if the taxpayer had been a Hawaii resident for the full tax year.

[5] District breakdowns for tax returns from businesses should be interpreted with caution because the location is determined by the taxpayer's mailing address. Many businesses with operations throughout the State are headquartered on Oahu and use an Oahu mailing address. Moreover, nonresident businesses with out-of-State addresses are attributed to Oahu. Therefore, county breakdowns for business tax returns are not shown.

Table 2
Total Number of Individual Income Tax Returns for Tax Year 2020
by Income Class and by Tax District

By Income Class*

Hawaii AGI*	Forms N – 11	Forms N - 15	All Individual Returns
Less than $10,000	136,934	15,374	152,308
$10,000 to $29,999	135,358	15,000	150,358
$30,000 to $59,999	170,320	15,729	186,049
$60,000 to $99,999	99,447	12,794	112,241
$100,000 to $199,999	84,196	15,190	99,386
$200,000 or more	27,260	22,065	49,325
Total	653,515	96,152	749,667

By Tax District**

Tax District	Forms N – 11	Forms N - 15	All Individual Returns
Oahu (District 1)	454,344	90,858	545,202
Maui (District 2)	77,664	1,945	79,609
Hawaii (District 3)	87,539	2,497	90,036
Kauai (District 4	33,968	852	34,820
Total	653,515	96,152	749,667

* For Form N-15, the income is the taxpayer's global adjusted gross income as defined for Hawaii income tax purposes.

** Returns that have an out-of-state address are allocated to Oahu.

3. OVERVIEW AND SUMMARY OF RESULTS

In tax year 2020, a total of $370.2 million was claimed in tax credits, up from $300.6 million claimed for tax year 2019, a 23.2% increase, largely attributable to uptick in renewable energy technologies income tax credit claims in 2020 compared to 2019.

Figure 1 shows the breakdown by type of taxpayer for tax credits claimed in tax year 2020. The largest dollar value of tax credits was claimed against individual income tax liabilities. Such claims added up to $184.6 million, or 49.9% of the total claims for tax credits, up 4.4% from $176.8 million claimed for tax year 2019. Claims against income tax liabilities of nonfinancial corporations were the second largest category, amounting to $85.4 million, or 23.1% of the total claims for tax credits, up 2.2% from $83.6 million claimed for tax year 2019. The third largest tax credit claims were from financial

corporations, which totaled $79.9 million, or 21.6% of the total claims, up 203.8% from $26.3 million claimed for tax year 2019.

Figure 1
Distribution of Tax Credit Amounts by Taxpayer Type in Tax Year 2020
(Dollar amounts are in $ millions)

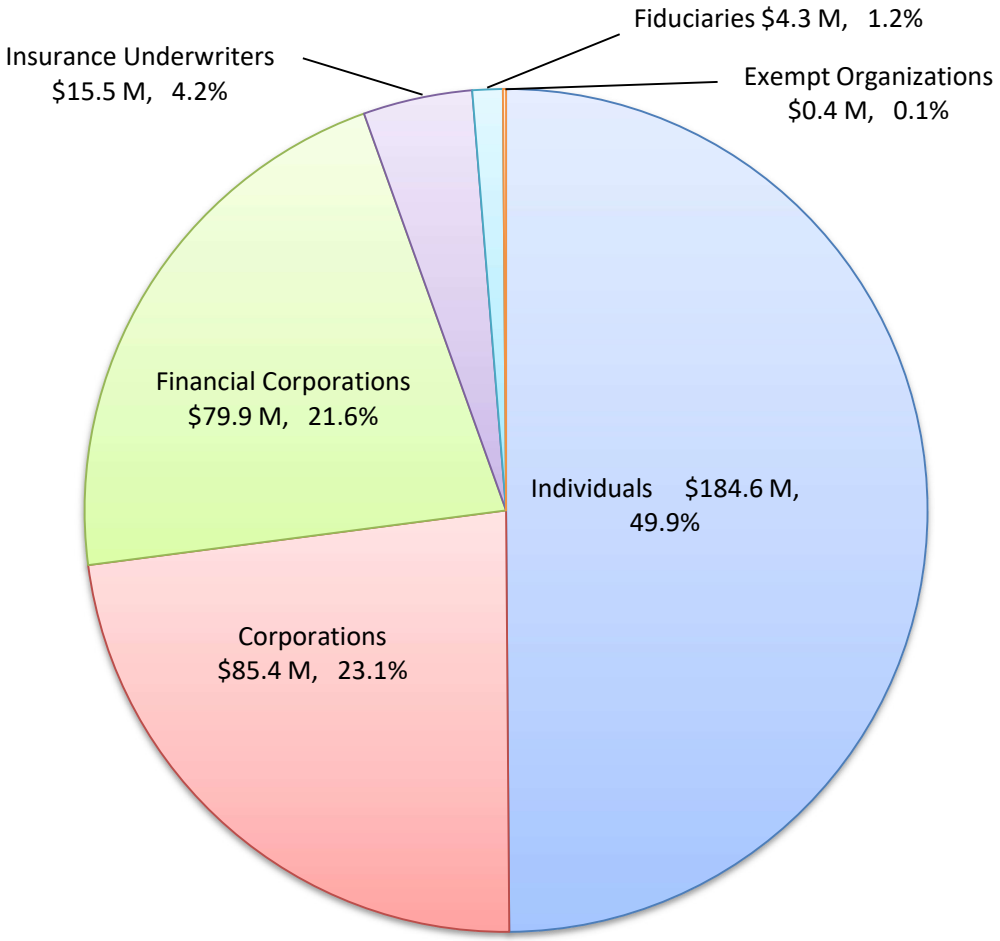


Figure 2 shows the amount of tax credits as a proportion of total tax liability by taxpayer type in tax year 2020.[6] Financial corporations had the largest percentage of tax credits against their tax liability with 111.1% of their tax liability written off by tax credit claims. This is up from 44.3% for tax year 2019. The second largest percentage reduction of tax

[6] The total tax liability for insurance underwriters also includes surplus lines tax, foreign risk retention group tax and workers compensation special compensation fund levy.

liability was by exempt organizations with 64.6% of their tax liability reduced by tax credit claims, up from 23.6% for tax year 2019. Individual taxpayers had the smallest percentage tax reduction due to tax credits (6.7% of their tax liability), followed by insurance underwriters with 7.6% of their tax liability reduced by tax credit claims.

Figure 2
Amount of Tax Credits as a Proportion of Total Tax Liability by Taxpayer Type in Tax Year 2020

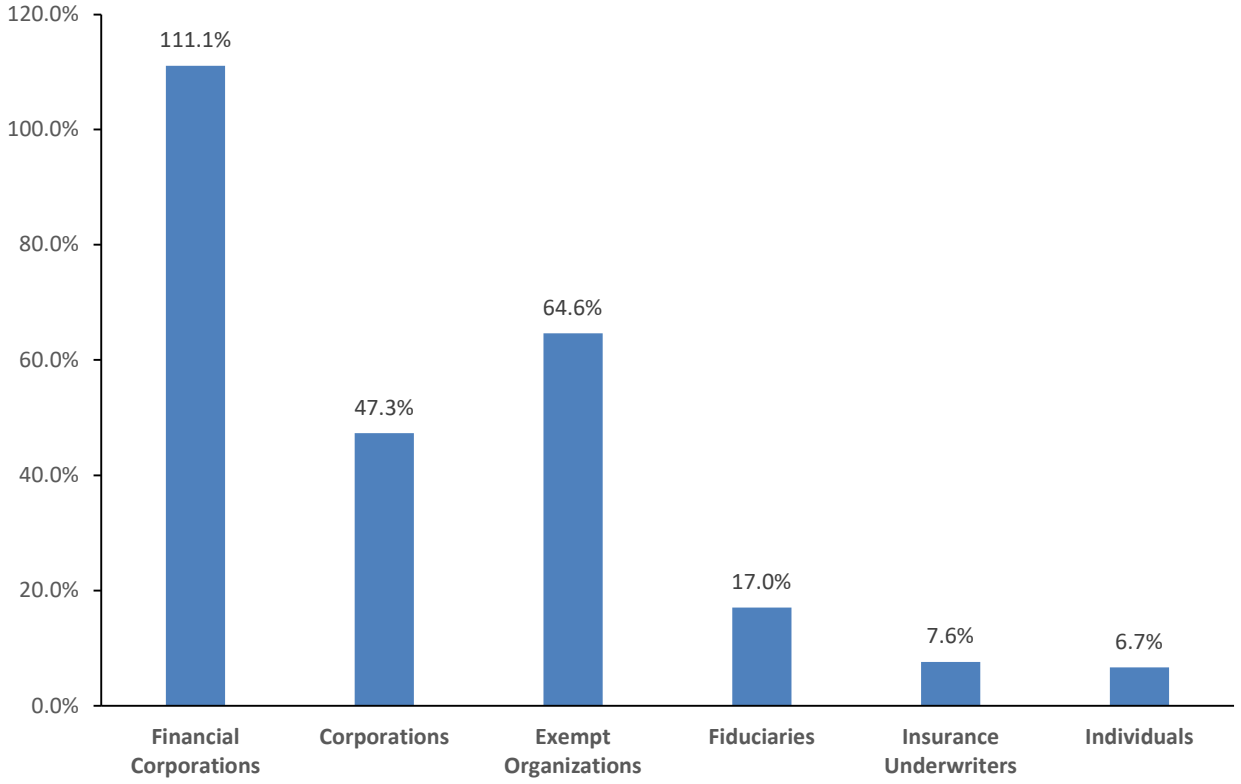


Figure 3 shows the amount of tax credits claimed by individuals as a proportion of their total tax liability by income class in tax year 2020. The amount of tax credits claimed by individual taxpayers with Hawaii AGI of less than $10,000 was 226.5% of their aggregate tax liability before tax credits in 2020, slightly up from 211.2% for tax year 2019. Among the income groups with amounts of tax credits less than their tax liability, taxpayers with Hawaii AGI of $10,000 to $29,999 claimed the largest percentage (25.0%) of tax credits against their tax liability, while taxpayers with Hawaii AGI of $60,000 to $99,999 claimed the smallest (2.0%).

Figure 3 Amount of Tax Credits Claimed by Individuals as a Proportion of Their Total Tax Liability by Income Class in Tax Year 2020

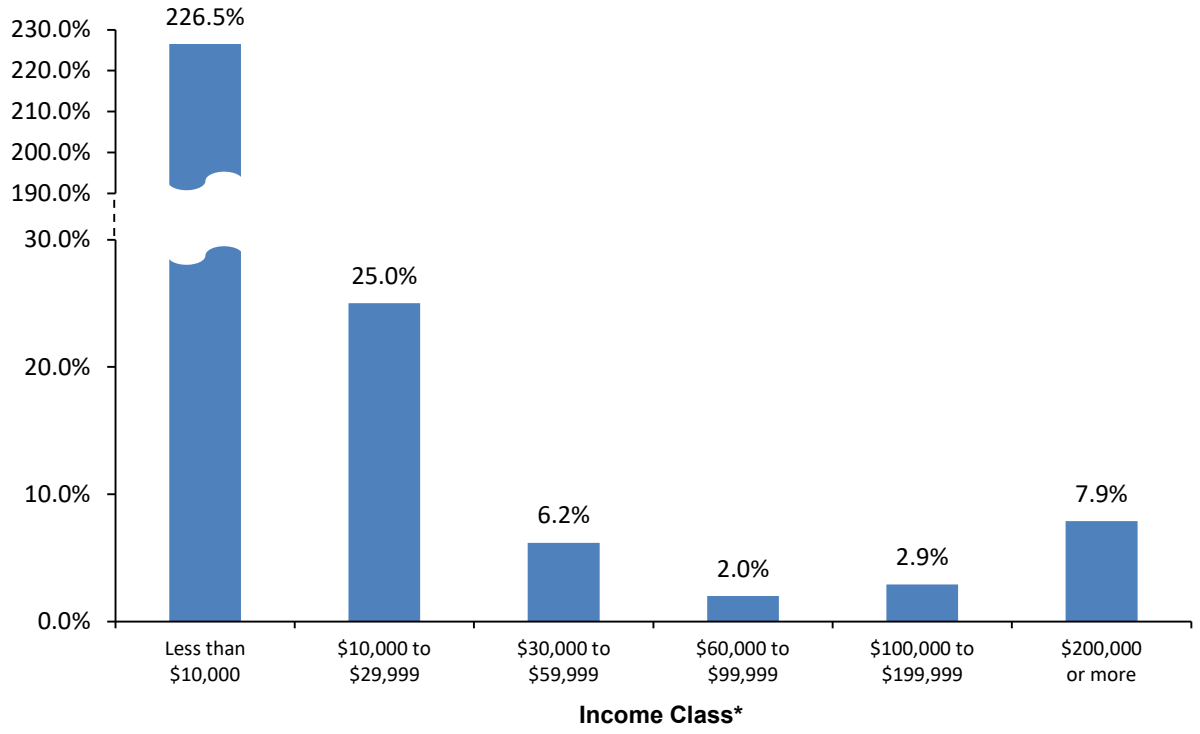


Table 3 presents the number and proportion of taxpayers who claimed tax credits by taxpayer type. The resident individual taxpayers were the largest group with 44.0% of them claiming tax credits while fiduciary, exempt organizations and insurance underwriters were the smallest with only 1.9% to 2.0 % of them making tax credit claims. In second place and third place, 8.3% of nonresident or part-year resident and 5.9% of financial corporations made tax credit claims in tax year 2020, respectively.

Figure 4 summarizes the amount of tax credits by purpose of the tax credit in tax year 2020. The largest amount claimed was for encouraging certain industries or economic activities ($181.1 million or 48.9% of total credits claimed) followed by tax credits to avoid double taxation or pyramiding of taxes ($99.7 million, or 26.9%) and tax credits to promote social welfare ($89.4 million, or 24.2%).

Table 3
Number and Proportion of Taxpayers Claiming Tax Credits by Taxpayer Type for Tax Year 2020

Type of Taxpayer	Number of Taxpayers	No. of Taxpayers with Claims	% of Taxpayers with Claims
Individual - Resident	653,515	287,491	44.0%
Individual - Nonresident / Part-Year Resident	96,152	8,017	8.3%
Nonfinancial Corporation	18,747	852	4.5%
Financial Corporation	287	17	5.9%
Fiduciary	16,203	302	1.9%
Exempt Organization	748	15	2.0%
Insurance Underwriter*	1,076	22	2.0%

* Data supplied by the Insurance Division of the Department of Commerce and Consumer Affairs.

Figure 4
Amount of Tax Credits by Purpose of the Tax Credit in Tax Year 2020

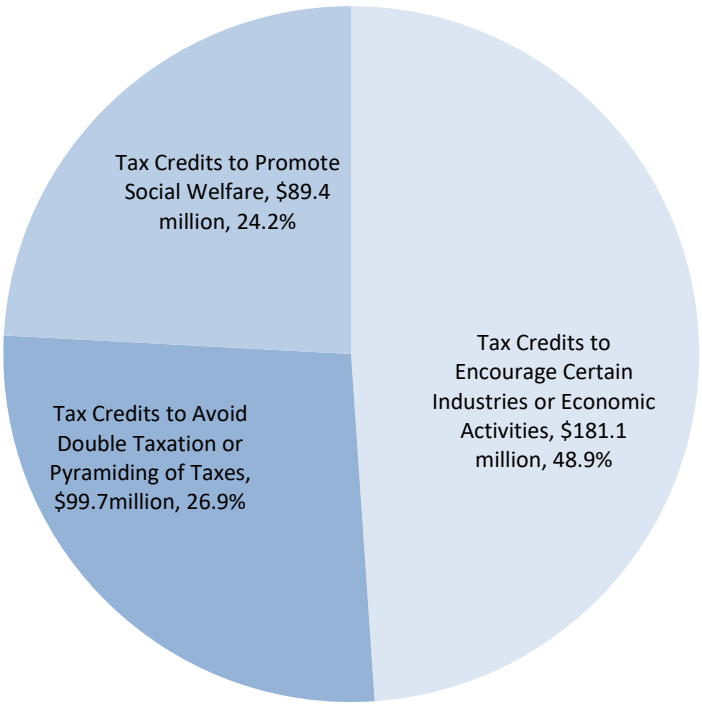


Table 4
Distribution of Tax Credits in Tax Year 2020

	Amount (in $1,000)	% of Total
Total, All Tax Credits	$370,241	100.0
Active Tax Credits		
Tax Credits to Promote Social Welfare		
Refundable Food/Excise Tax Credit	$29,575	8.0
Tax Credit for Low-Income Household Renters	$1,708	0.5
Tax Credit for Child and Dependent Care Expenses	$5,308	1.4
Tax Credit for Child Passenger Restraint Systems	$54	0.0
Tax Credit for Employment of Vocational Rehabilitation Referrals	*d*	*d*
Low-Income Housing Tax Credit	$31,610	8.5
Tax Credit for School Repair and Maintenance	*d*	*d*
Earned Income Tax Credit *	$21,130	5.7
Lifeline Telephone Service Tax Credit	$24	0.0
Tax Credits to Encourage Certain Industries or Economic Activities		
Fuel Tax Credit for Commercial Fishers	$429	0.1
Motion Picture, Digital Media, and Film Production Income Tax Credit	$42,494	11.5
Renewable Energy Technologies Income Tax Credit	$112,611	30.4
Enterprise Zone Tax Credit	$744	0.2
Important Agricultural Land Qualified Agricultural Cost Tax Credit	-	-
Tax Credit for Research Activities	$5,147	1.4
Cesspool Upgrade, Conversion or Connection Income Tax Credit	$519	0.1
Renewable Fuels Production Tax Credit	$348	0.1
Organic Foods Production Tax Credit	$103	0.0
Healthcare Preceptor Income Tax Credit	$288	0.1
Historic Preservation Income Tax Credit	-	-
Tax Credits to Avoid Double Taxation or Pyramiding of Taxes		
Capital Goods Excise Tax Credit	$33,690	9.1
Income Tax Paid to Another State or Foreign Country	$66,009	17.8
Expired Tax Credits		
Tax Credits to Promote Social Welfare		
Individual Development Account Contribution Tax Credit	-	-
Tax Credits to Encourage Certain Industries or Economic Activities		
High Technology Business Investment Tax Credit	$15,491	4.2
Energy Conservation Tax Credit **	**	**
Hotel Construction and Remodeling Tax Credit	*d*	*d*
Technology Infrastructure Renovation Tax Credit	$75	0.0
Residential Construction and Remodeling Tax Credit	$149	0.0
Capital Infrastructure Tax Credit	$2,412	0.7

* The data for the Earned Income Tax Credit in this report was extracted at a later date than the data from the 2020 Earned Income Tax Credit Report. The different dates of data extraction account for the difference in the numbers between the two reports.

** Data for the energy conservation tax credit are included with the renewable energy technologies tax credit.

Note: "*d*" denotes that the data were suppressed to avoid potential disclosure of confidential taxpayer information.

Table 4 provides a summary distribution of tax credits claimed by the type of tax credit. The largest tax credit by dollar value was the renewable energy technologies income tax credit, which amounted to $112.6 million, or 30.4% of the total tax credits claimed in tax year 2020. The second largest tax credit was credit for income tax paid to another state or foreign country, which amounted to $66.0 million, or 17.8% of the total.

Table 5 compares selected tax credits by selected taxpayer type for tax years 2019 and 2020. For individuals, total tax credits claimed increased by $7.9 million (or 4.5%) from 2019 to 2020. The main sources of growth are the increases in the tax credit claims for income tax paid to another state or foreign country ($8.6 million or 15.9% increase), renewable energy technologies income tax credit ($2.6 million or 5.8% increase) and Earned Income Tax Credit ($3.0 million or 16.6% increase). For nonfinancial corporations, the total tax credit amount claimed increased by 2.1% (or $1.7 million) from 2019 to 2020. The main reasons for the slight change are the increases in claims for motion picture, digital media, and film production income tax credit (>2.0 million or >6.0% increase, exact amount was suppressed to prevent potential disclosure of confidential taxpayer information in 2020), renewable energy technologies income tax credit ($1.5 million or 11.2% increase) and tax credit for research activities ($1.0 million or 33.0% increase) and decrease in capital goods excise tax credit claims ($3.4 million or 13.3% decline).

Financial corporations had claims in only four tax credit categories: low-income housing tax credit, renewable energy technologies income tax credit, capital goods excise tax credit, and high technology business investment tax credit totaling to $79.9 million in 2020, an increase of $53.7 million or 204.4%. The main source of the growth is the increase in claims of the renewable energy technologies income tax credit (data was suppressed to avoid potential disclosure of confidential taxpayer information for both 2019 and 2020).

Figure 5 shows per capita amounts of selected tax credits claimed by individuals in various Hawaii AGI brackets.[7] The amounts were generated by dividing the dollar amount of each type of tax credit by the number of individuals within each AGI bracket. The number of individuals was calculated by adding the number of exemptions for taxpayers, spouses, and dependents claimed on all tax returns in each respective AGI bracket. In addition, minor children who received more than half their support from public agencies, such as the State Department of Human Services, are also included in the total. Their children cannot be claimed as dependents, but they are included as qualified exemptions for purpose of the refundable food/excise tax credit.

The refundable food/excise tax credit dropped as AGI increased and recipients were phased out of the credit (the credit is generally not available for taxpayers with AGI of over $50,000), whereas the low-income household renter's tax credit was distributed fairly

[7] For Form N-15, the income is the taxpayer's global adjusted gross income as defined for Hawaii income tax purposes.

evenly among the different eligible AGI groups (those with AGI below $30,000). Per capita claims for the child and dependent care tax credit were greater in the higher AGI groups. The claims for earned income tax credit per capita went up as AGI increased up to the $25,000 to $30,000 bracket, then declined as AGI increased after the $25,000 to $30,000 bracket.

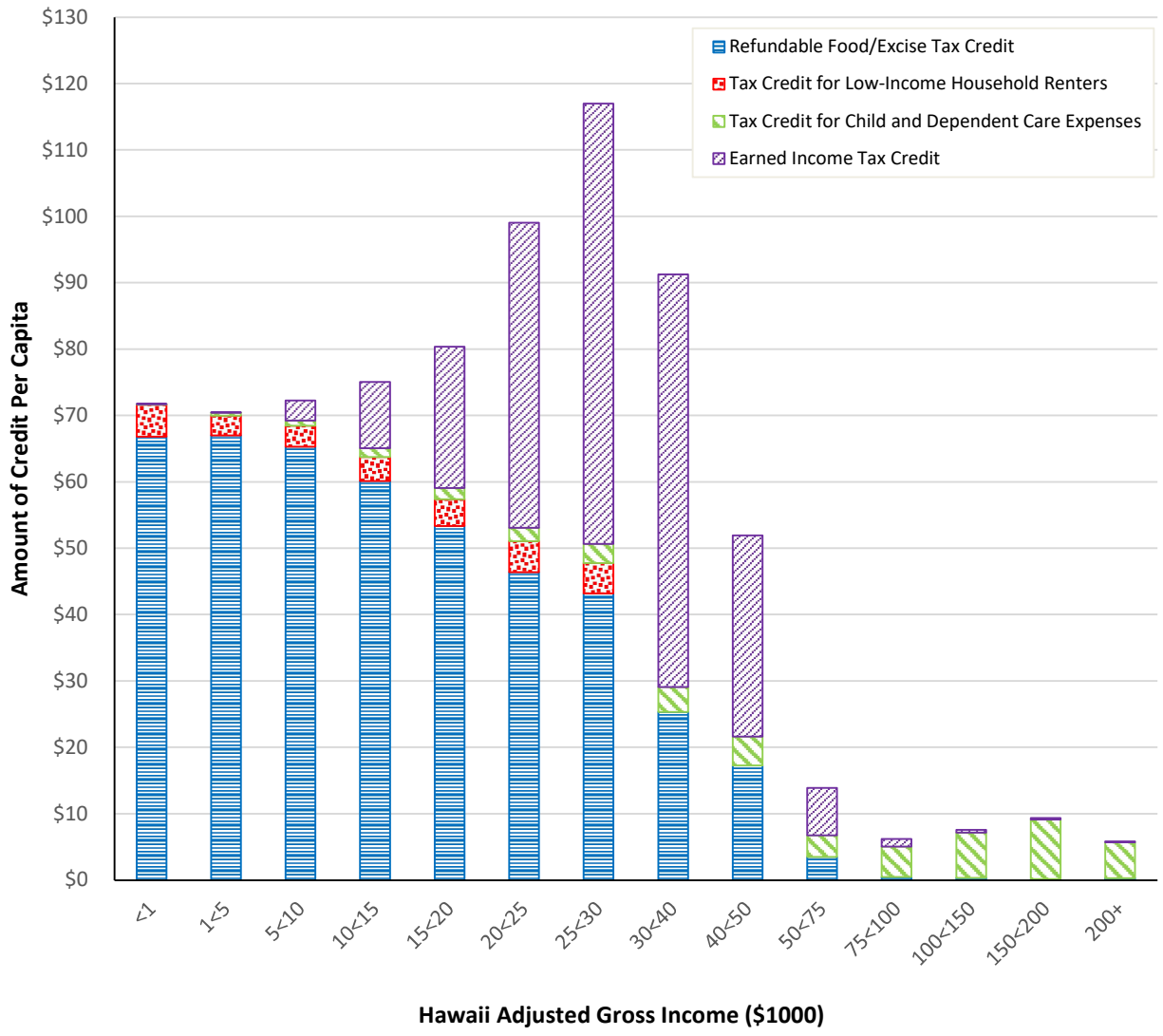
Table 5
Comparison of Selected Tax Credits and Taxpayer Type
Tax Year 2019 and 2020 (in $1,000)

Taxpayer Type and Credit	2020	2019	Difference Amount	Difference % Change
Individuals				
Total Credits	$184,643	$176,761	$7,882	4.5
Income Tax Paid to Another State or Foreign Country	$62,975	$54,336	$8,639	15.9
Renewable Energy Technologies Income Tax Credit	$46,586	$44,025	$2,561	5.8
Refundable Food Excise Tax Credit (Food/Excise)	$29,575	$28,352	$1,223	4.3
Earned Income Tax Credit	$21,130	$18,116	$3,014	16.6
Tax Credit for Child and Dependent Care Expenses	$5,308	$8,747	($3,439)	-39.3
Capital Goods Excise Tax Credit	$6,718	$8,544	($1,826)	-21.4
Tax Credit for Low-Income Household Renters	$1,708	$2,024	($316)	-15.6
Corporations				
Total Credits	$85,373	$83,635	$1,738	2.1
Motion Picture, Digital Media, and Film Production Income Tax Credit *	>$40,000	$38,624	>2,000	>6.0
Capital Goods Excise Tax Credit	$22,068	$25,450	($3,382)	-13.3
Renewable Energy Technologies Income Tax Credit	$15,110	$13,584	$1,526	11.2
Tax Credit for Research Activities	$3,969	$2,985	$984	33.0
Financial Corporations				
Total Credits	$79,940	$26,259	$53,681	204.4
Capital Goods Excise Tax Credit	$4,291	$3,239	$1,052	32.5

Note: * Exact amount for 2020 was suppressed to avoid potential disclosure of confidential taxpayer information.

The tables in Appendix A show further details on the tax credits claimed. Appendix B provides a history of Hawaii's tax credits. The chart in Appendix Table B-1 shows the tax credits that were in existence in each year since 1965. Appendix Table B-2 provides an outline showing the historical development of the tax credits and the year in which each tax credit was enacted.

Figure 5
Average Per Capita Amounts of Selected Credits Claimed by Individuals in Tax Year 2020



4. DESCRIPTIONS AND ANALYSES OF THE TAX CREDITS

This section describes the tax credits available for tax year 2020, including expired tax credits for which unused credits could be carried forward and applied against tax liabilities in tax year 2020. It also compares the amount of each tax credit that was claimed in tax year 2020 to the previous two years. Appendix Table A-11 shows the dollar amounts and number of claims made for each tax credit in tax years 2018, 2019 and 2020. For most tax credits, the amount and number of claims over years starting from 2000 or their inception year to 2020 are also presented in Figures 6 through 20.

4.1. ACTIVE TAX CREDITS

4.1.1. Tax Credits to Promote Social Welfare

1. Refundable Food/Excise Tax Credit (HRS §235-55.85)

The refundable food/excise tax credit was introduced for tax year 2008 by Act 211, Session Laws of Hawaii (SLH) 2007, to replace the low-income refundable tax credit. Later, Act 223, SLH 2015 amended this tax credit for taxable years 2016 to 2017 to increase the tax credit amount and remove the residency requirement which were in turn made permanent by Act 107, SLH 2017. To claim the tax credit, the taxpayer must have a federal adjusted gross income (adjusted gross income as defined by the Internal Revenue Code) of less than $50,000 if filing status is Married Filing Jointly, Married Filing Separately, Head of Household, or Qualifying Widower, and less than $30,000 if filing status is Single.

The tax credit is computed by multiplying an allowable tax credit amount by the number of qualified exemptions. The qualified exemptions are personal exemptions permitted under Hawaii law, excluding the additional exemptions for being age 65 or older or for having a disability. A person for whom the tax credit is claimed must have been present in Hawaii for more than nine months of the taxable year and cannot have been confined in jail, prison, or a youth correctional facility for the entire taxable year. Married persons filing separate tax returns can claim only the tax credit to which they would have been entitled had they filed a joint return. The allowable amount of the tax credit per qualified exemption is based on the taxpayer's income, but parents or guardians of minor children who cannot be claimed as dependents because they receive more than half their support from public agencies (such as the State Department of Human Services) are eligible for the maximum amount of the tax credit ($110) regardless of their income.

The allowable amounts for tax year 2020 are shown below:

If filing status is Married Filing Jointly, Married Filing Separately, Head of Household, or Qualifying Widower:

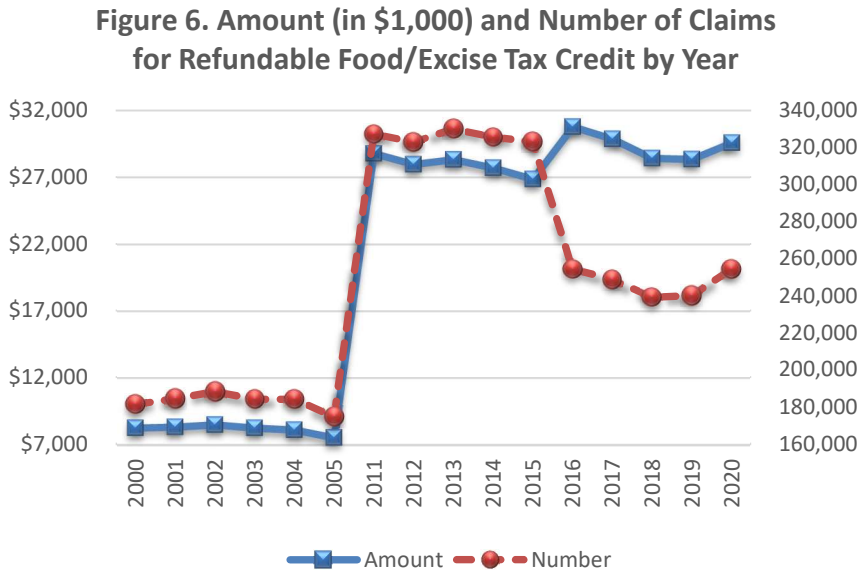
Federal Adjusted Gross Income	Tax Credit per Qualified Exemption
Under $5,000	$110
$5,000 and over but under $10,000	$100
$10,000 and over but under $15,000	$85
$15,000 and over but under $20,000	$70
$20,000 and over but under $30,000	$55
$30,000 and over but under $40,000	$45
$40,000 and over but under $50,000	$35
$50,000 and over	$0

If filing status is Single:

Federal Adjusted Gross Income	Tax Credit per Qualified Exemption
Under $5,000	$110
$5,000 and over but under $10,000	$100
$10,000 and over but under $15,000	$85
$15,000 and over but under $20,000	$70
$20,000 and over but under $30,000	$55
$30,000 and over	$0

The refundable food/excise tax credit was the most commonly claimed tax credit in tax year 2020. The tax credit appeared on 254,262 individual income tax returns, or 33.9% of the total number of such returns filed for the tax year (749,667 returns). Claims for the tax credit totaled $29.58 million for tax year 2020, up from $28.35 million claimed for tax year 2019 and $28.41 million for tax year 2018.

Figure 6 shows the amount and number of claims for the tax credit from 2000 to 2020. The jump in both amount and number of claims from 2005 to 2011 is due to the increase in credit per exemption and expansion of the eligible maximum federal AGI from $20,000 to $50,000 introduced by Act 211, SLH 2007, starting in tax year 2008. The drop in number of claims from 2015 to 2016 is due to the reduction in the eligible maximum federal AGI for taxpayers filing a single return from $50,000 to $30,000 enacted by Act 223, SLH 2015. The amount uptick from 2015 to 2016 is because the increase in credit per exemption outweighed the reduced number of taxpayers eligible for the credit caused by Act 223, SLH 2015. The claims for the refundable food/excise tax credit are decreasing since 2016 with an uptick in 2020.



Note: The tax credit was called low-income tax credit before 2008

2. Tax Credit for Low-Income Household Renters (HRS §235-55.7)

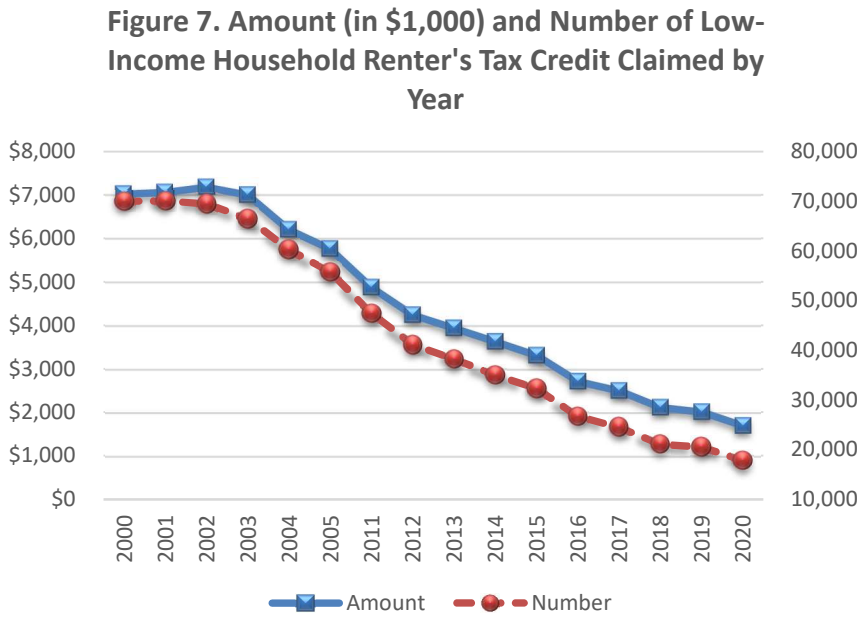
Taxpayers who rented residential real property during the taxable year may qualify for the refundable tax credit for low-income household renters. To claim the tax credit, the taxpayer must be a Hawaii resident with Hawaii AGI of less than $30,000 who is not claimed or eligible to be claimed as a dependent by another taxpayer. Furthermore, the taxpayer must have paid more than $1,000 in annual rent for real property in Hawaii that was the taxpayer's residence (or the residence of the taxpayer's immediate family) and that was not wholly or partially exempt from the real property tax. Married persons filing separate tax returns must combine their Hawaii AGI to determine their eligibility for the tax credit. If a rental unit is shared with another person, the individual's portion of the rent is used to determine eligibility.

The tax credit is computed by multiplying $50 by the number of personal exemptions permitted under Hawaii law, including the additional exemption for being age 65 or older. A person for whom the tax credit is claimed must have physically resided in Hawaii for more than nine months of the taxable year.

The $30,000 income limitation has not been changed since 1989, when it was raised from $20,000. The amount of the tax credit per exemption was raised from $20 to $50 in 1981, but has remained unchanged since then, despite substantial rises in the cost of housing.

The low-income household renter's tax credit was claimed on 17,818 individual income tax returns for tax year 2020. It was the third most commonly claimed tax credit. The amount claimed for tax year 2020 totaled $1.7 million, down from $2.0 million claimed for tax year 2019 and $2.1 million for tax year 2018.

Figure 7 presents the amount and number of claims for the tax credit from 2000 to 2020. Both the amount and the number of claims for the low-income household renter's tax credit are in a declining trend overall.



3. Tax Credit for Child and Dependent Care Expenses (HRS §235-55.6)

A resident taxpayer who is gainfully employed and who pays for the care of a child under 13 years of age or for a spouse or dependent incapable of self-care qualifies for the child and dependent care tax credit. The tax credit can be taken for care expenses up to $2,400 for one qualified individual and up to $4,800 for two or more qualified individuals. Allowable expenses may not exceed the taxpayer's earned income. For joint tax returns, the amount may not exceed the income of the spouse with the lower earned income.

The tax credit is refundable and the amount ranges from 15% to 25% of qualified care expenses, with the rate declining as Hawaii AGI increases. The credit was amended by Act 235, SLH 2016 to change the percentages and adjusted gross income ranges for calculating the credit for taxable years beginning after December 31, 2015.

The percentages and adjusted gross income ranges for calculating the tax credit for child and dependent care expenses for tax year 2020 is shown below:

Hawaii Adjusted Gross Income	Percent of Allowable Expenses
Under $25,001	25%
$25,001 - $30,000	24%
$30,001 - $35,000	23%
$35,001 - $40,000	22%
$40,001 - $45,000	21%
$45,001 - $50,000	20%
$50,001 and over	15%

For tax year 2020, the dependent care tax credit was the fourth most commonly claimed tax credit and was reported on 15,547 individual income tax returns. The amount claimed for tax year 2020 totaled $5.3 million, down from $8.7 million claimed for tax year 2019 and $9.0 million for tax year 2018.

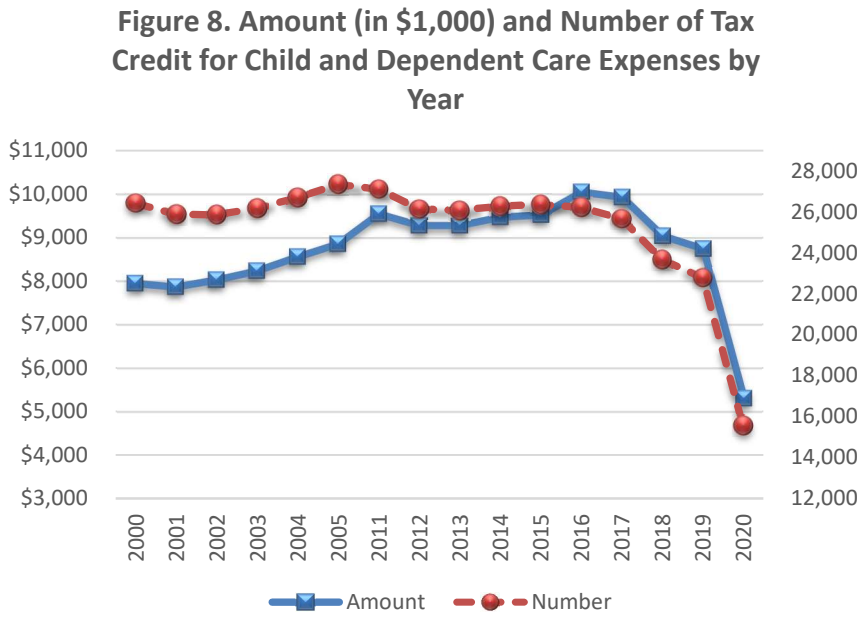


Figure 8 shows the amount and number of claims for the tax credit since 2000. The increase in the amount of tax credit that occurred in 2016 reflects the changes made by Act 235, SLH 2016, which increased the applicable percentages for certain lower income bracket taxpayers ($24,000 - $50,000) for tax year 2016 and after. The claims for the dependent care tax credit are declining since 2016.

4. Tax Credit for Child Passenger Restraint Systems (HRS §235-15)

An individual taxpayer who buys a new child passenger restraint system that complies with the federal motor vehicle safety standards in effect at the time of purchase may claim a tax credit of $25 for the tax year, regardless of the cost of the restraint system or the number of restraint systems bought during the year. The tax credit, which is refundable, was enacted in 1982 to encourage people to buy child restraint systems, but the systems became mandatory in the following year. For tax year 2020, the tax credit was claimed on 2,143 individual income tax returns and the total amount claimed was $54,000, down from $61,000 claimed for both tax year 2019 and 2018.

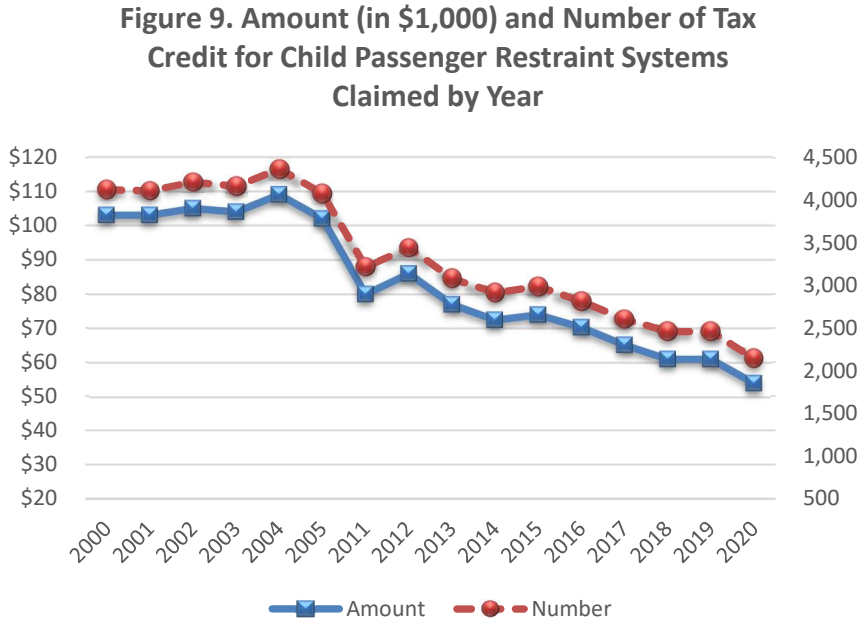


Figure 9 shows the trend for the tax credit from 2000 to 2020. Overall, the claims were declining since 2004.

5. Tax Credit for Employment of Vocational Rehabilitation Referrals (HRS §235-55.91)

A taxpayer who employs an individual who is certified by the Vocational Rehabilitation and Services for the Blind Division of the Department of Human Services, in consultation with the Hawaii State Employment Service of the Department of Labor and Industrial Relations, as having a physical or mental disability that results in a substantial handicap to employment, or who has been referred upon completion of certain rehabilitation plans, may qualify for a tax credit. The tax credit is equal to 20% of the qualifying first-year wages for the taxable year, up to $6,000, and is nonrefundable. Data on the tax credit for 2020 and 2018 have been suppressed to prevent potential disclosure of confidential taxpayer information and no claims for this credit were reported in 2019.

6. Low-Income Housing Tax Credit (HRS §235-110.8 and §241-4.7, §431:7-208)

Owners of residential buildings who provide low-income housing may claim the low-income housing tax credit. This nonrefundable tax credit is equal to a percentage of the "applicable percentage" of qualified basis, where the applicable percentage is calculated as provided under section 42 of the Internal Revenue Code. The percentage is 30% for buildings placed in service prior to July 1, 2005, and 50% for buildings placed in service after June 30, 2005. Act 158, SLH 2011 allows the taxpayer to elect to receive a low-income housing loan in lieu of the tax credit after July 1, 2011. The tax credit was claimed on 39 tax returns for tax year 2020 and the total amount claimed was $31.6 million, up from claims of $25.3 million for tax year 2019 and $28.6 million for tax year 2018.

Figure 10. Amount (in $1,000) and Number of Low-Income Housing Tax Credit Claimed by Year

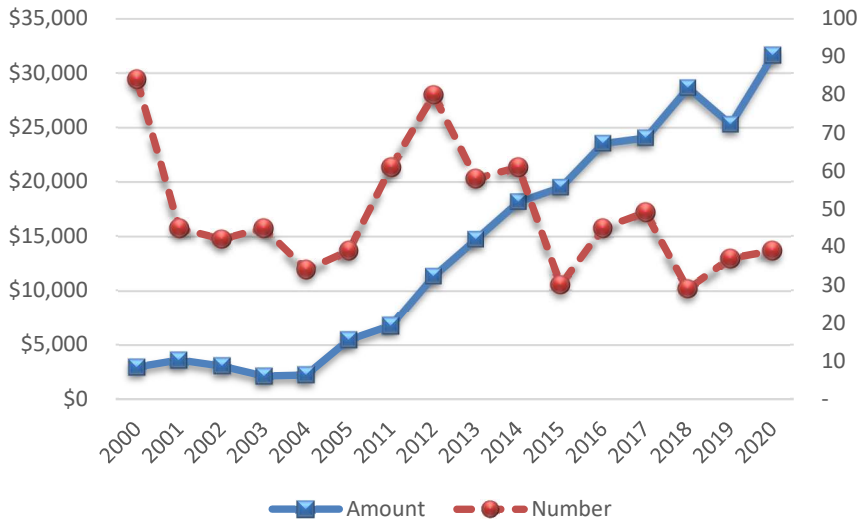


Figure 10 presents the amount and number of claims for the tax credit since 2000. While the number of claims fluctuated over time, the amount of the tax credit claims was increasing since 2004 with a decline in 2019.

7. Tax Credit for School Repair and Maintenance (HRS §235-110.2)

Act 309, SLH 2001, allows licensed contractors to claim a 10% nonrefundable tax credit, up to $4,000, on the fair-market value of repair and maintenance services provided at no cost to public schools. Data on the tax credit have been suppressed to prevent potential disclosure of confidential taxpayer information from 2018 to 2020.

8. Earned Income Tax Credit (HRS §235-55.75)

Act 107, SLH 2017, establishes a state nonrefundable earned income tax credit (EITC) equal to 20% of the federal EITC allowed and properly claimed under section 32, IRC,

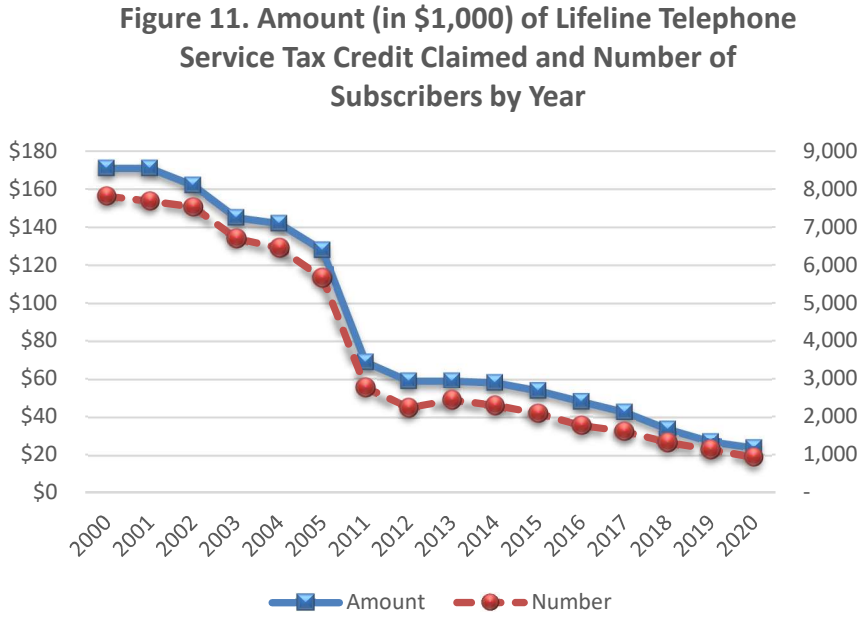
and reported on the taxpayer's federal income tax return. The state EITC applies to taxable years beginning after December 31, 2017, but shall not apply to taxable years beginning after December 31, 2022. For tax year 2020, the earned income tax credit was the second most commonly claimed tax credit and was reported on 64,430 individual income tax returns. The amount claimed for tax year 2020 totaled $21.1 million, up from claims of $18.1 million for tax year 2019 and $15.6 million for tax year 2018. [8]

9. Lifeline Telephone Service Tax Credit (HRS §239-6.5)

Lifeline telephone service is available to elderly and disabled residential telephone subscribers who have an annual income less than $10,000. The Public Utilities Commission determines and certifies the lifeline service costs. The telephone public utility may claim a nonrefundable tax credit equal to the sum of foregone revenues and the administrative costs of providing the telephone service to the eligible individuals.

The tax credit was claimed on behalf of 925 subscribers as of the end of calendar year 2020 and the amount claimed by the public utility for tax year 2020 was $24,000, down from $27,000 claimed for tax year 2019 and $34,000 for tax year 2018.

The tax credit was in a steady declining trend since 2000 (Figure 11).



[8] The data for the Earned Income Tax Credit in this report was extracted at a later date than the data from the 2020 Earned Income Tax Credit Report. The different dates of data extraction account for the difference in the numbers between the two reports.

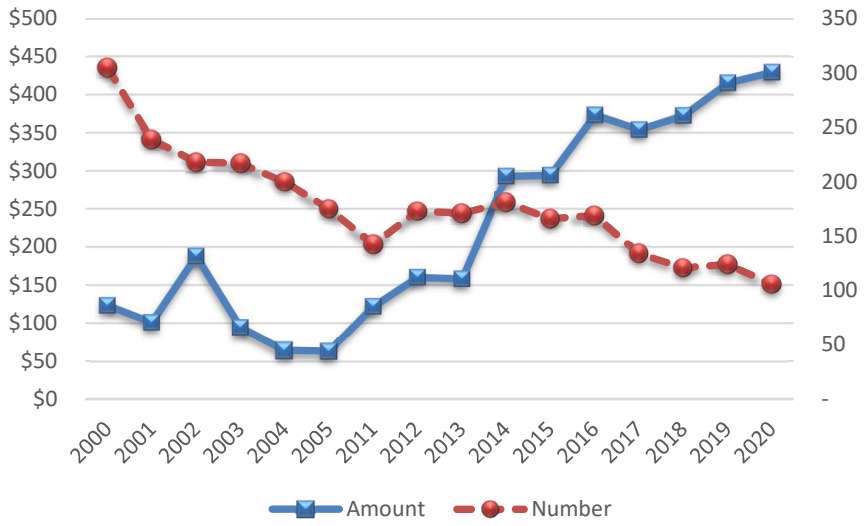
4.1.2. Tax Credits to Encourage Certain Industries or Economic Activities

10. Fuel Tax Credit for Commercial Fishers (HRS §235-110.6)

The principal operator of a commercial fishing vessel may claim a refundable tax credit for certain fuel taxes paid during the taxable year. The amount of the tax credit is equal to the fuel taxes imposed under section 243-4(a), HRS. The tax credit was claimed on 106 tax returns for tax year 2020 and the total amount claimed was $429,000, up from $415,000 claimed for tax year 2019 and $372,000 for tax year 2018.

Figure 12 shows the amount and number of claims for the tax credit from 2000 to 2020. While the number of claims was decreasing, the amount of tax credit claimed was increasing overall.

Figure 12. Amount (in $1,000) and Number of Fuel Tax Credit for Commercial Fishers Claimed by Year



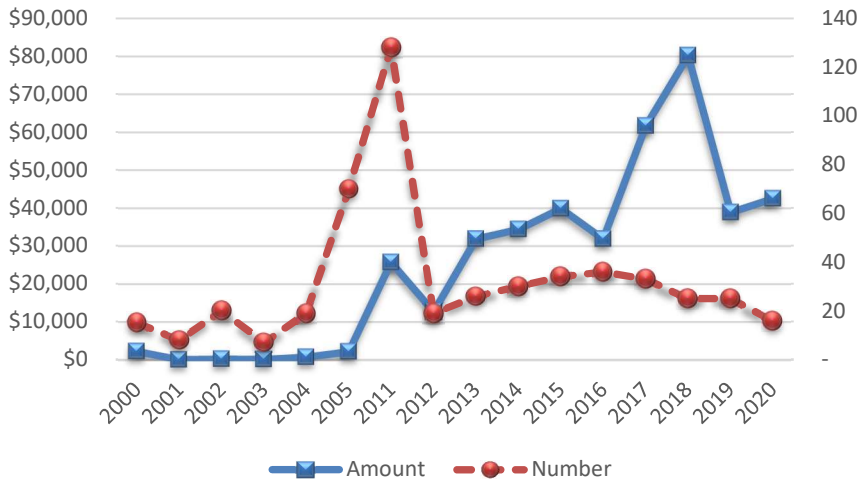
11. Motion Picture, Digital Media, and Film Production Income Tax Credit (HRS §235-17)

Taxpayers may claim a refundable tax credit equal to 20% of the qualified production costs incurred in the City and County of Honolulu and 25% of the qualified production costs incurred in the Kauai, Maui, or Hawaii counties before January 1, 2026. The total amount of the tax credit allowed for a single qualified production is capped at $15 million. Effective January 1, 2019, Act 143, SLH 2017 caps the total credit to $35 million per year which is a rolling cap that allows claims for a tax credit that exceed the $35 million cap in one year to be claimed in the subsequent year, under that year's cap, except for the final, seventh year of the tax credit in the year 2026. Effective July 10, 2019, and applicable to taxable years beginning after December 31, 2018, Act 275, SLH 2019 increased the annual aggregate cap from $35 million to $50 million. Thus, the aggregate cap for tax

year 2020 would be $50 million. The tax credit was claimed on 16 tax returns for tax year 2020 and the total amount claimed was $42.5 million, up 9.3% from $38.9 million claimed for tax year 2019 and down 47.0% from $80.2 million for tax year 2018. The tax credit was the third largest in terms of the amount claimed for tax year 2020.

Figure 13 displays the amount and number of claims for the tax credit since 2000. The jump from 2005 to 2011 for both number and amount was most likely caused by Act 88, SLH 2006, effective 2006, which increased the motion picture and film production income tax credit to 15% or 20% of qualified production costs, depending on locale of production, from 4% of costs incurred and 7.25% of transient accommodations costs incurred. The steeper increase in the amount claimed from 2012 to 2013 was largely the results of Act 89, SLH 2013, effective 2013, which increased the credit ceiling amount from $8 million to $15 million per qualified production and increased the credit amount from 15% to 20% for Honolulu County and from 20% to 25% for the other counties. The increase in the amount claimed in 2017 and 2018 and decrease in 2019 is likely due to changes in the cap on the total amount of credits that can claimed in any given tax year.

Figure 13. Amount (in $1,000) and Number of Motion Picture, Digital Media, and Film Production Income Tax Credit Claimed by Year



12. Renewable Energy Technologies Income Tax Credit (HRS §235-12.5 and §241-4.6)

Taxpayers who installed a renewable energy technology system (solar thermal energy system, wind powered energy system, or photovoltaic energy system) and placed it in service after June 30, 2003, may claim the renewable energy technologies income tax credit. The tax credit applies to the actual cost of the system, including the cost of accessories and installation.

For systems installed and placed in service after July 1, 2006, the tax credit was 35% of the cost for solar thermal systems and photovoltaic systems, and 20% of the cost for wind powered systems. For single-family residential properties, the amount of the tax credit was capped at $2,250 for solar thermal systems, $5,000 for photovoltaic systems, and $1,500 for wind powered systems. For commercial properties, the tax credit was capped at $500,000 for wind powered systems and for photovoltaic systems, and at $250,000 for solar thermal systems. For multifamily residential properties, the tax credit per residential unit was capped at $350 for solar thermal systems and photovoltaic systems, and at $200 for wind powered systems. Act 154, SLH 2009 made the tax credit refundable for certain low-income taxpayers and gave other taxpayers the option to claim the tax credit as refundable by accepting a 30% reduction in the amount of the tax credit. The Act was effective for systems installed and placed in service on or after July 1, 2009.

According to the new Administrative Rules that came into effect during tax year 2013, to gain tax credit for a system classified under "other solar energy system" such as a photovoltaic system, each system was required to have a total output capacity of at least 5 kilowatts for single-family residential properties, or 0.360 kilowatts per unit per system for multi-family residential properties, or 1,000 kilowatts for commercial properties unless an exception applies, such as only one credit being claimed or only one system does not meet the requirement.

Act 61, SLH 2020 disallows the Renewable Energy Technologies Income Tax Credit for commercial projects of 5 megawatts of total output capacity or greater. The Act also provides multiple exceptions, including for systems subject to a power purchase agreement which receives Public Utilities Commission (PUC) approval or was pending approval before December 31, 2019, and for certain systems integrated with a pumped hydroelectric energy storage system where the requisite approval filings are submitted to the PUC by December 31, 2021.

Table 6 shows the number of returns and the amount of the tax credit claimed for the renewable energy technologies income tax credit, and also for carryovers of the energy conservation tax credit that expired on June 30, 2003.

The first part of the table shows carryovers of tax credits for the renewable energy systems that were installed and placed in service prior to July 1, 2009, along with carryovers of the energy conservation tax credit and carryovers of the renewable energy technologies income tax credit for which the date of installation could not be determined. Carryovers of these tax credits were reported on 201 tax returns for tax year 2020 and the amounts claimed totaled $0.9 million, up from $0.5 million claimed for tax year 2019 and $0.7 million claimed for tax year 2018.

Table 6
Claims for the Renewable Energy Technologies Income Tax Credit and the Energy Conservation Tax Credit in Tax Year 2020

Carryover of the tax credit for systems installed and placed in service before July 1, 2009 [1]

Number of returns			Credit amount (in $1,000) [3]		
All	Individuals	Corporations and others [2]	All	Individuals	Corporations and others [2]
201	190	11	$897	$517	$380

Refundable tax credits for systems installed and placed in service on or after July 1, 2009

	Number of returns			Credit amount (in $1,000) [3]		
	All	Individuals	Corporations and others [2]	All	Individuals	Corporations and others [2]
Solar only	1,676	*d*	*d*	$70,472	*d*	*d*
Wind only or breakdown unknown	24	*d*	*d*	$903	*d*	*d*
Total	1,700	1,683	17	$71,375	$10,051	$61,324

Nonrefundable tax credits for systems installed and placed in service on or after July 1, 2009

	Number of returns			Credit amount (in $1,000) [3]		
	All	Individuals	Corporations and others [2]	All	Individuals	Corporations and others [2]
Solar only	6,450	6,414	36	$37,035	$33,909	$3,126
Wind only	11	11	-	$8	$8	-
Breakdown unknown	755	733	22	$3,295	$2,101	$1,194
Total	7,216	7,158	58	$40,338	$36,018	$4,320

[1] Includes carryovers of the energy conservation tax credit given by section 235-12, HRS, and carryovers of the renewable energy technologies income tax credit for which the date of installation could not be determined.

[2] Includes nonfinancial corporations, fiduciaries, nonprofit organizations and financial corporations.

[3] Details may not add to totals due to rounding.

Notes: "*d*" denotes that data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information.

The second and third parts of Table 6 show the renewable energy tax credit for systems that were installed on or after July 1, 2009, by type of system, by type of taxpayer, and by whether the claim was for a refundable or nonrefundable tax credit. Because unused tax credits can be carried over, and extensions of existing systems made in later years are also eligible for the tax credit, the number of returns claiming the credit in a year may

be larger than the number of new systems installed that year. The tax credit for systems installed and placed in service on or after July 1, 2009 was claimed on 8,916 returns for tax year 2020 and the amounts claimed totaled $111.7 million, up from $59.8 million claimed for tax year 2019 and $69.8 million for tax year 2018.

Claims for all systems, including carryovers of the energy conservation tax credit, totaled $112.6 million for tax year 2020, up from the $60.3 million claimed for these tax credits in tax year 2019 and $70.5 million for tax year 2018. This was the largest tax credit in terms of the amount claimed in tax year 2020.

Figure 14. Amount (in $1,000) and Number of Renewable Energy Technologies Income Tax Credit Claimed by Year

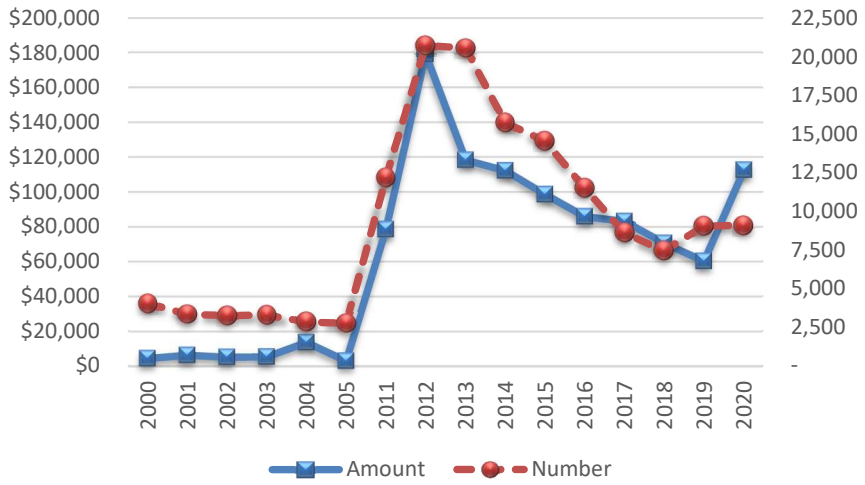


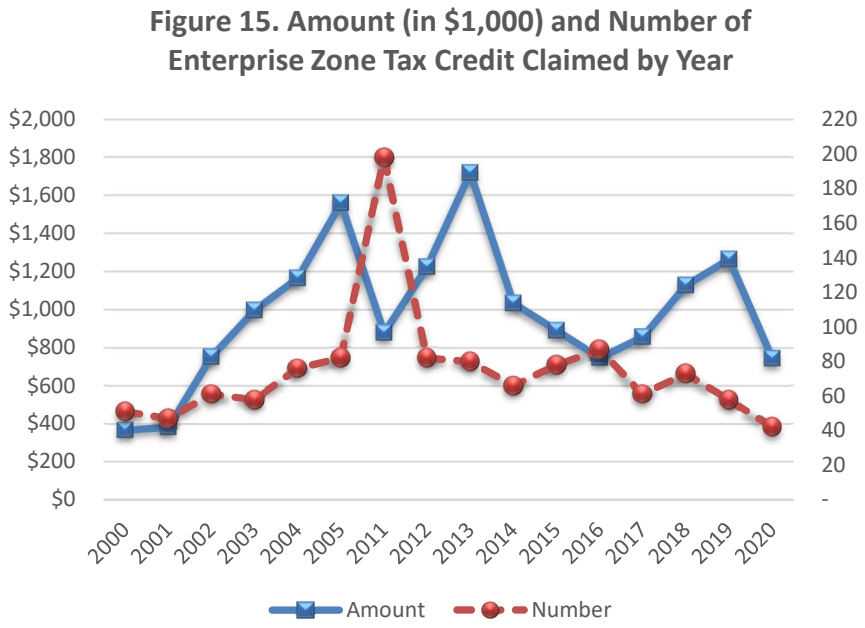
Figure 14 shows the amount and number of claims for the tax credit since tax year 2000. The dramatic increase from 2005 to 2011 and 2012 was likely due to enaction of Act 240, SLH 2006 (effective July 1, 2006) and Act 154, SLH 2009 (effective July 1, 2009), which together increased the credit limits and made it refundable. The reduction of the tax credit claimed in 2014 was in part due to the imposition of Administrative Rules 18-235-12.5-01 through 18-235-12.5-06 that altered the definition of a solar energy system.

13. Enterprise Zone Tax Credit (HRS §209E-10, §209E-11)

A qualified business located in a designated enterprise zone may claim a tax credit equal to a percentage of its net income tax liability and of the unemployment insurance premiums it paid for employees located in the enterprise zone. In the first year, the tax credit is 80% of the qualified amounts. The percentage decreases by 10 points each year, until it reaches 20% in the seventh year, after which the business is no longer eligible for the tax credit. The tax credit is nonrefundable, and any unused tax credit may not be carried forward. The tax credit was claimed on 42 tax returns for tax year 2020 and the

amounts claimed totaled $0.7 million, down from $1.3 million claimed for tax year 2019 and $1.1 million for tax year 2018.

Figure 15 displays the amount and number of the tax credit claimed since tax year 2000.



14. Important Agricultural Land Qualified Agricultural Cost Tax Credit (HRS §235-110.93)

The important agricultural land tax credit is awarded for qualified agricultural costs incurred after July 1, 2008, and it is refundable. In the first year, the tax credit per taxpayer is the lesser of 25% of the qualified agricultural costs or $625,000. In the second year, the tax credit is the lesser of 15% of the qualified costs or $250,000, and in the third year the tax credit is the lesser of 10% of the qualified costs or $125,000. More than 50% of the land used by the agricultural business must be deemed "important agricultural land." Tax credits must be certified by the Department of Agriculture and the aggregate amount of credits claimed cannot exceed $7.5 million in any tax year. Act 87, SLH 2018 extended the tax credit through taxable year 2021. There's no claims for such tax credit in tax year 2020. Data on the tax credit for 2018 and 2019 have been suppressed to prevent potential disclosure of confidential taxpayer information.

15. Tax Credit for Research Activities (HRS §235-110.91)

The tax credit for research activities was reinstated by Act 270, SLH 2013. This refundable tax credit is available for tax years beginning after December 31, 2012, but expires after December 31, 2019. Each qualified high technology business subject to Hawaii's income tax can claim an income tax credit for qualified research activities equal to the federal credit for increasing research activities provided by Internal Revenue Code (IRC) section

41, provided that the qualified high technology business also claims a federal tax credit for the same qualified research activities under IRC section 41. Qualified research expenses cannot include research expenses incurred outside Hawaii and it needs to be certified by the Department of Taxation. Act 261, SLH 2019 amended the tax credit such that references to the base amount contained in section 41 of the IRC do not apply, and credit may be taken based upon all qualified research expenses incurred in Hawaii without regard to the amount of expenses for previous years. The Act is effective for taxable years beginning after December 31, 2019, and extends the credit through December 31, 2024, and also established an annual aggregate cap of $5.0 million.

The tax credit was claimed on 27 tax returns for tax year 2020 and the amounts claimed totaled $5.1 million, up from $3.8 million claimed for tax year 2019 and $2.4 million for tax year 2018. The reason that the total amount exceeded the $5.0 million aggregate cap slightly in 2020 is because some taxpayers may file the returns in fiscal year ending in 2020 and the tax credit was from tax year 2019.

Figure 16. Amount (in $1,000) and Number of Tax Credit for Research Activities Claimed by Year

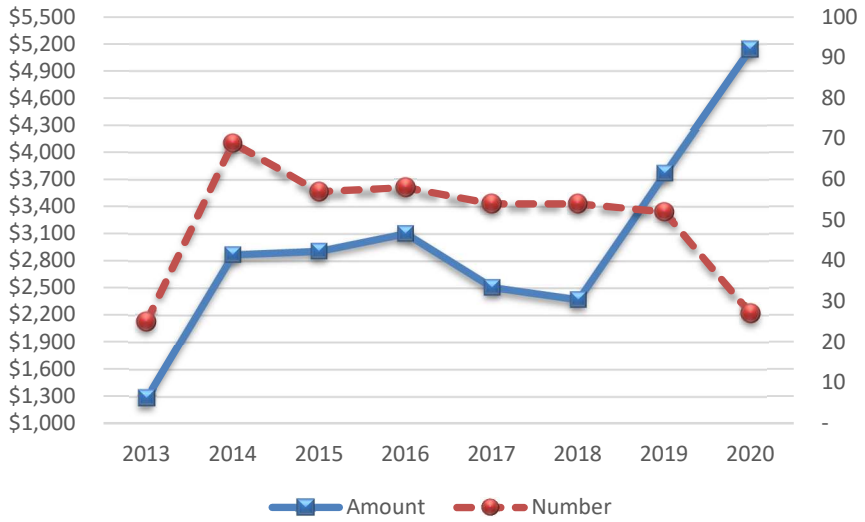


Figure 16 shows the amount and number of tax credits for research activities claimed by year. The divergence between number of tax credits claimed (decreased) and total amount claimed (increased) from 2019 to 2020 is likely the result of Act 261, SLH 2019, which increased eligible amount of the credit for each taxpayer by rendering section 41 of the IRC not appliable meanwhile capped the annual aggregate amount. The net effect is that less taxpayers can claim the tax credit from 2020 and beyond if the cap is kept unchanged.

16. Cesspool Upgrade, Conversion or Connection Income Tax Credit (HRS §235-16.5)

Act 200, SLH 2014, established the credit for the costs to upgrade or convert a qualified cesspool into a septic system or an aerobic treatment unit system, or to connect a qualified cesspool to a sewer system, effective for taxable years beginning after December 31, 2015, but expires after December 31, 2020. Act 125, SLH 2017 expanded the definition of qualified cesspool. Act 133, SLH 2018 eliminated the provision preventing certification of more than two residential large capacity cesspools as qualified cesspools. This nonrefundable tax credit is equal to the qualified expenses of the taxpayer, up to a maximum of $10,000 per cesspool, or $10,000 per residential dwelling connected to a residential large capacity cesspool. The taxpayer is required to obtain a certificate by the Department of Health verifying the qualified expenses and the credit amount for the taxable year and file this certificate with their tax return. The annual amount of certified credits is capped at $5 million and any remaining applications for certification above the cap for that taxable year may be carried forward to the subsequent year for certification in that taxable year. The tax credit was claimed on 94 tax returns for tax year 2020 and the amounts claimed totaled $519,000, up from $371,000 claimed for tax year 2019 and $219,000 for tax year 2018.

17. Renewable Fuels Production Tax Credit (HRS §235-110.31)

Act 202, SLH 2016, provided that each taxpayer producing renewable fuels may claim a nonrefundable renewable fuels production tax credit for taxable years beginning after December 31, 2016, and before December 31, 2021. Act 142, SLH 2017 changed the certification process. The tax credit is the lesser of 20 cents per 76,000 British thermal units of renewable fuels using the lower heating value sold for distribution in Hawaii or $3 million per taxable year. The taxpayer's production of renewable fuels cannot be less than 15 billion British thermal units of renewable fuels per year. The total amount of the tax credits is capped at $3 million per year and certified by the Department of Business, Economic Development, and Tourism (DBEDT). Act 143, SLH 2018 lowered the production threshold for eligibility for the credit from 15 billion British thermal units of renewable fuels per calendar year to 2.5 billion British thermal units per calendar year and added logs, wood chips, wood pellets, wood bark, and other renewable organic material to the definition of "Renewable feedstocks" which qualify for the credit. The tax credit was claimed on 15 tax returns for tax year 2020 and the amounts totaled $348,000, up from $314,000 claimed for tax year 2019 and $330,000 claimed for tax year 2018.

18. Organic Foods Production Tax Credit (HRS §235-110.94)

Act 258, SLH 2016, provides that a qualified taxpayer incurring qualified expenses associated with the production or handling of organic foods may claim a nonrefundable organic foods production tax credit for taxable years beginning after December 31, 2016, and before December 31, 2021. The tax credit is 100% of qualified expenses up to a

maximum of $50,000 per qualified taxpayer. The amount of tax credits certified, by the Department of Agriculture, in any given tax year cannot exceed $2 million. The tax credit was claimed on 17 tax returns for tax year 2020 and the amounts totaled $103,000, up from $70,000 claimed for tax year 2019 and $14,000 claimed for tax year 2018.

19. Healthcare Preceptor Income Tax Credit (HRS §235-110.25)

Act 43, SLH 2018, established a nonrefundable income tax credit for advanced practice registered nurses, pharmacists, and physicians who supervise volunteer-based supervised clinical training rotations. The credit is equal to $1,000 per rotation supervised by the taxpayer, up to a maximum of $5,000 per taxpayer per year. The credit can be carried forward to future years until exhausted. Additionally, the credit is subject to an aggregate cap of $1.5 million per year. It also established the Preceptor Credit Assurance Committee. The Committee certifies all claims for the credit and issues taxpayers a certificate verifying the number of rotations supervised. The Department is authorized to require taxpayers to furnish this certificate to claim the credit. The Committee is also tasked with ceasing certifications if total claims for certification reach the aggregate cap during any year. The Act applies to taxable years beginning after December 31, 2018. The tax credit was claimed on 144 tax returns for tax year 2020 and the amount totaled $288,000, down from $310,000 claimed for tax year 2019, when the tax credit was first established.

20. Historic Preservation Income Tax Credit (HRS §235-110.97)

Act 267, SLH 2019, established a nonrefundable income tax credit for taxpayers who rehabilitate historic structures pursuant to a rehabilitation plan certified by the Department of Land and Natural Resources' State Historic Preservation Division. The credit is equal to 30% of the qualified expenses incurred as part of the certified rehabilitation plan. In addition, the credit is subject to an aggregate cap of $1,000,000 per year and is subject to recapture if the projected expenditures do not materialize, or the rehabilitation does not proceed in a timely manner or in accordance with the approved plan. The Act applies to qualified rehabilitation expenditure incurred in taxable years beginning after December 31, 2019, and is repealed on December 31, 2024. There were no such tax credit claims in tax year 2020.

4.1.3. Tax Credits to Avoid Double Taxation or Pyramiding of Hawaii Taxes

21. Capital Goods Excise Tax Credit (HRS §235-110.7, §241-4.5)

Businesses may claim the capital goods excise tax credit for the purchase of eligible depreciable tangible personal property used in a trade or business in Hawaii. The tax credit is refundable and is equal to 4% of the qualifying cost of the eligible property, which excludes costs deducted under Internal Revenue Code Section 179. The tax credit serves

to reduce pyramiding of the General Excise Tax (GET) by rebating the GET on business-to-business purchases that consist of eligible capital equipment. The cost of such capital equipment ultimately must be recaptured in the price of goods or services it is used to help produce, so without the rebate, the price of the produced goods or services would include the tax on the capital equipment. The tax credit was claimed on 4,047 tax returns for tax year 2020 and the amounts claimed totaled $33.7 million, down from $37.7 million claimed for tax year 2019 and $34.1 million for tax year 2018.

Figure 17. Amount (in $1,000) and Number of Capital Goods Excise Tax Credit Claimed by Year

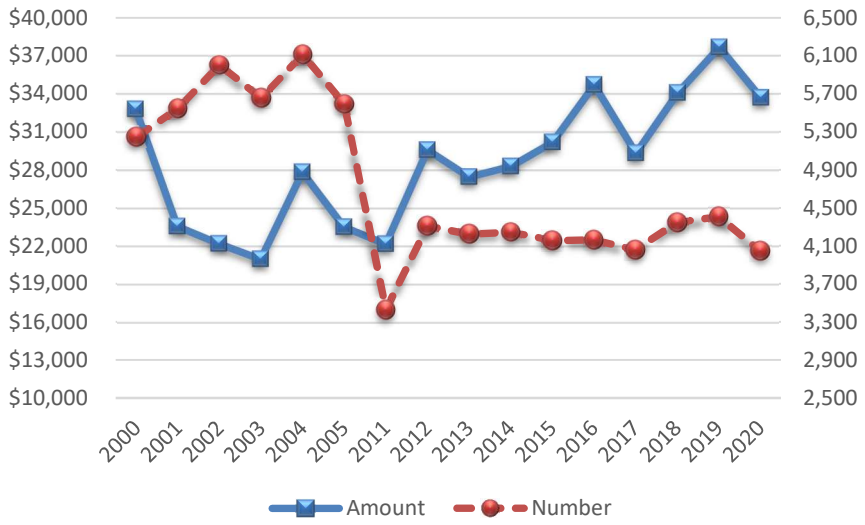
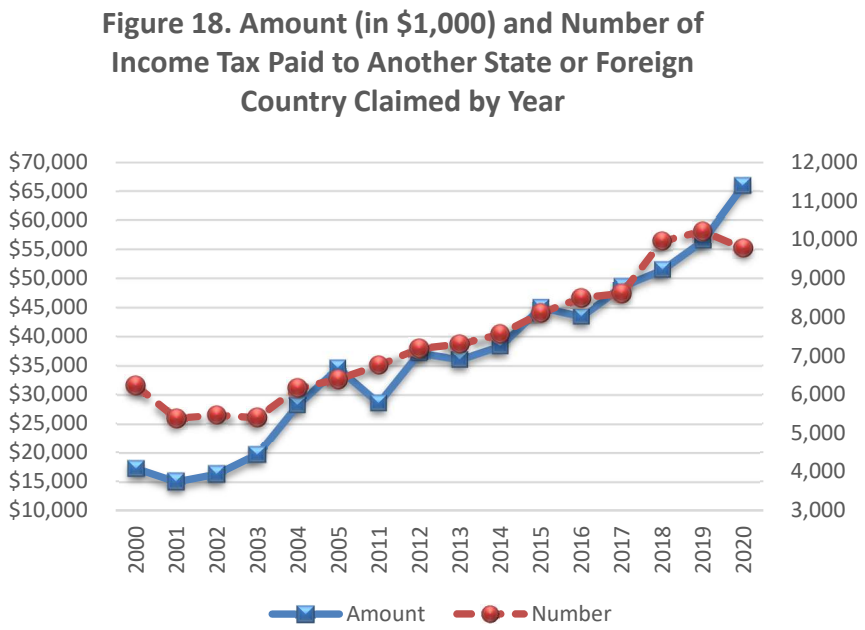


Figure 17 displays the amount and number of the tax credit claimed from tax year 2000 up to 2020.

22. Income Tax Paid to Another State or Foreign Country (HRS §235-55)

A Hawaii resident individual or other person may claim a credit for income taxes paid to another state or to a foreign country if the income was earned in the other state or country and is not exempt from Hawaii or federal income tax, and if certain other requirements are met. This nonrefundable tax credit was claimed on 9,787 tax returns for tax year 2020 and the amounts claimed totaled $66.0 million, up from $56.4 million claimed for tax year 2019 and $51.5 million for tax year 2018. The tax credit was the second largest in terms of the amount claimed in tax year 2020.



Both the number and amount of the tax credit claimed were in an overall upward trend since tax year 2003 (Figure 18).

4.2. EXPIRED TAX CREDITS

4.2.1. Tax Credits to Promote Social Welfare

1. Individual Development Account Contribution Tax Credit (HRS §235-5.6)

The individual development account (IDA) program was intended to encourage people with low income to save towards specific long-term goals, including obtaining a postsecondary education, buying a first home, and starting a small business. Program participants enrolled with a fiduciary organization, which provided matching funds for their deposits. A nonrefundable tax credit was allowed for persons donating money to the fiduciary organization for use as matching funds. The tax credit was equal to 50% of the amount donated. Donations qualifying for the tax credit could not be claimed as a deduction for charitable contributions. The tax credit was effective for taxable years 2000 to 2004 with an aggregate limit of $1 million but carryovers were allowed for the subsequent years. There were no claims for tax years 2020 and 2018. The data for tax year 2019 was suppressed to prevent potential disclosure of confidential taxpayer information.

4.2.2. Tax Credits to Encourage Certain Industries or Economic Activities

2. High Technology Business Investment Tax Credit (HRS §235-110.9, §241-4.8, §431:7-209)

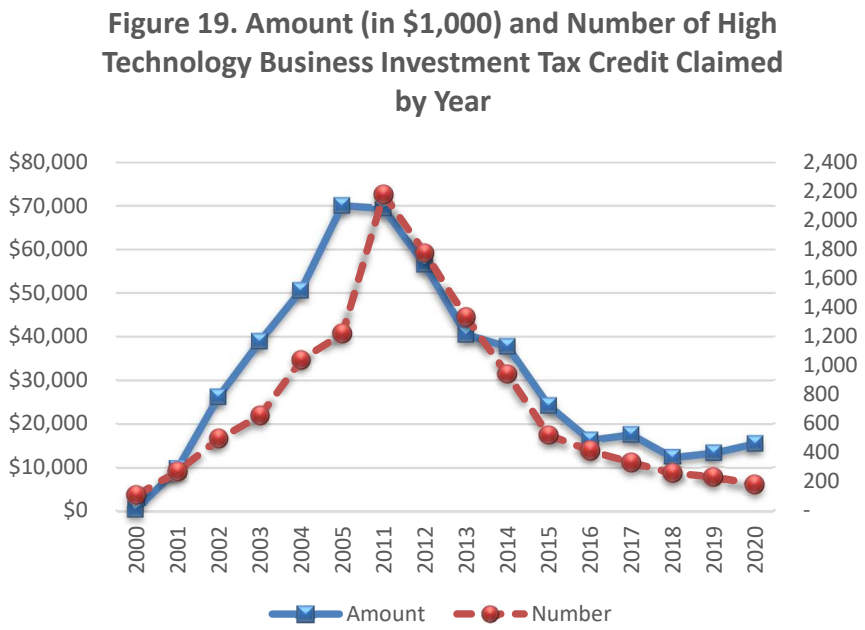
Taxpayers were allowed to claim the high technology business investment tax credit for tax years beginning after December 31, 1998. As originally enacted, the tax credit was nonrefundable and equal to 10% of investments made on or after July 1, 1999 in a qualified high technology business, up to a maximum credit amount of $500,000. Act 221, SLH 2001, expanded the tax credit to 100% of the qualified investment, up to a maximum of $2 million per investment.

The tax credit was claimed over five years as follows:

	Tax Credit Percentage	Tax Credit Limitation
Year of investment	35%	$700,000
Year 2	25%	$500,000
Year 3	20%	$400,000
Year 4	10%	$200,000
Year 5	10%	$200,000

Taxpayers who had previously claimed the 10% investment tax credit for tax years 1999 or 2000 were able to claim the tax credit for tax years 2001 and later as applicable under the amended law. For investments made after May 1, 2009, and for taxable years beginning on or after January 1, 2009, and ending before January 1, 2011, no claim for the tax credit could exceed 80% of the taxpayer's tax liability. The tax credit expired for taxable years beginning after December 31, 2010, but claims for the tax credit can be made for four years after the year of the investment and carry-overs of the tax credit can continue indefinitely. The tax credit was claimed on 179 tax returns for tax year 2020 and the amounts claimed totaled $15.5 million, up from $13.3 million claimed for tax year 2019 and $12.3 million for tax year 2018.

Before its expiration in 2011, claims for the tax credit grew year over year. The claims were consistently declining after 2011 indicating exhaustion of the remaining carryover credit over time (Figure 19).



3. Energy Conservation Tax Credit (HRS §235-12)

Taxpayers who installed an energy conservation device prior to July 1, 2003, could claim the energy conservation tax credit, which was nonrefundable. The tax credit applied only to the actual cost of the systems, including accessories and installation, but not the cost of repairs to existing systems.

The tax credit was equal to 35% of the cost of solar systems, 20% of the cost of wind energy systems and heat pumps, and 50% of the cost of ice storage systems. The eligible cost was reduced by any consumer incentive premiums offered with the system. For single-family residential buildings, the tax credit was limited to $1,750 for solar systems and $400 for heat pumps. For multiunit residential buildings, the tax credit was limited to $350 per unit for solar systems and $200 per unit for heat pumps. There were no limits for hotels, for commercial buildings, for industrial facilities, for wind energy systems, or for ice storage systems. The tax credit expired on June 30, 2003, but unused tax credits may be carried over to subsequent years until exhausted. Data on carryovers of the tax credit are included with those for the renewable energy technologies income tax credit.

4. Hotel Construction and Remodeling Tax Credit (HRS §235-110.4, repealed)

The hotel construction and remodeling tax credit was repealed by Act 9, SLH 2007, but unused credits from claims made prior to the expiration date may be carried forward and applied against tax. Although the tax credit was not repealed until 2007, it was not available for costs incurred in taxable years beginning after December 31, 2005. Data on the tax credit have been suppressed to prevent potential disclosure of confidential taxpayer information from 2018 to 2020.

5. Technology Infrastructure Renovation Tax Credit (HRS §235-110.51)

The technology infrastructure renovation tax credit was nonrefundable and was equal to 4% of costs incurred after December 31, 2000 for planning, designing, installing, constructing, or purchasing equipment to provide a commercial building with technology infrastructure. The tax credit was not available for taxable years beginning after December 31, 2010, but amounts claimed for the tax credit prior to its expiration can be carried forward and applied against tax liability in later years until exhausted. For costs incurred after May 1, 2009, and for taxable years beginning on or after January 1, 2009, and ending before January 1, 2011, no claim for the tax credit could exceed 80% of the taxpayer's tax liability. The tax credit was claimed on 6 tax returns for tax year 2020 and the amounts totaled $75,000, up from $11,000 claimed for tax year 2019. Data for tax year 2018 have been suppressed to prevent potential disclosure of confidential taxpayer information.

6. Residential Construction and Remodeling Tax Credit (HRS §235-110.45, repealed)

Act 10, SLH 2001, Third Special Session, provided a nonrefundable tax credit equal to 4% of home construction or renovation costs incurred after December 31, 2000, up to a maximum of $250,000. The tax credit expired on June 30, 2003, but any unused tax credit may be carried over to subsequent years until exhausted. Carryovers of the tax credit were claimed on 12 tax returns for tax year 2020 and the amounts claimed totaled $149,000, up from $75,000 claimed for tax year 2019 and down from $206,000 for tax year 2018.

7. Capital Infrastructure Tax Credit (HRS §235-17.5, §241-4.4)

Act 200, SLH 2014, established the capital infrastructure tax credit for tenants who were relocated due to the Kapalama container terminal modernization project and Act 213, SLH 2017 expanded it and raised the cap from $1.25 million to $2.5 million. The tax credit is equal to 50% of the capital infrastructure costs incurred by the qualified infrastructure tenant during the taxable year, up to a maximum of $2.5 million. The tax credit is nonrefundable and available for taxable years beginning after December 31, 2013, but not for taxable years beginning after December 31, 2019. Act 260, SLH 2019, repealed the tax credit entirely, thus 2019 was the last year when this credit can be claimed. However, unused tax credits claimed before tax year 2020 can be carried over to future years until exhausted. The tax credit was claimed on 57 tax returns for tax year 2020 and the amounts claimed totaled $2.4 million, down from $3.2 million claimed for tax year 2019 and up from $1.9 million for tax year 2018.

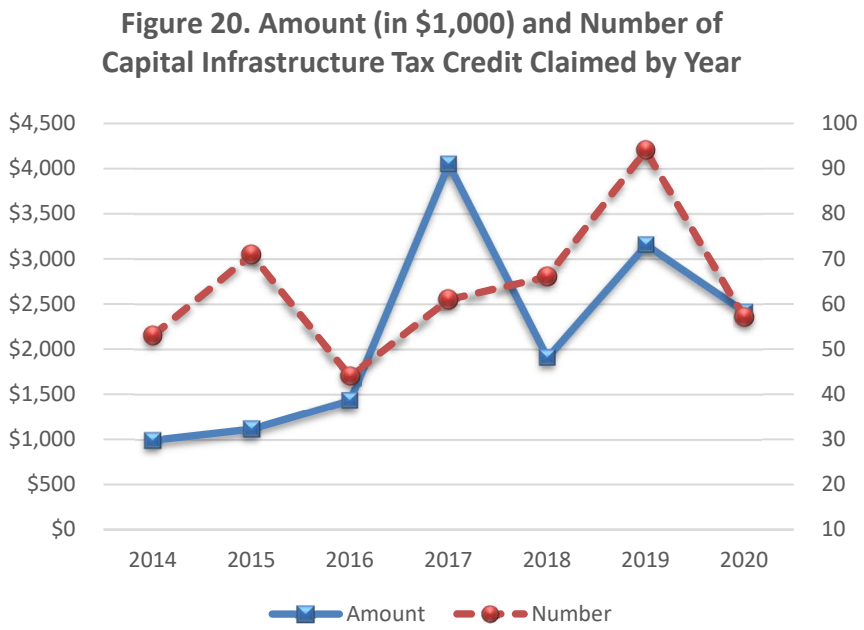


Figure 20 shows the amount and number of the capital infrastructure tax credit claimed since its inception. The large increase of the amount claimed from 2016 to 2017 was likely the result of Act 213, SLH 2017, which doubled the amount of credit per taxable year from $1.25 million to $2.5 million and included structure, machinery, equipment, and capital assets in the definition of “capital infrastructure costs”.

APPENDIX A

STATISTICAL TABLES

Table A-1

DOLLAR AMOUNTS OF TAX CREDITS CLAIMED
BY TYPE OF CREDIT AND TYPE OF TAXPAYER - 2020 (in $ 1,000)

	TAXPAYER TYPE						
Type of Credit	ALL	Individuals	Corporations	Financial Corporations	Fiduciaries	Exempt Organizations	Insurance Underwriters*
Active Tax Credits							
Tax Credits to Promote Social Welfare							
Refundable Food/Excise Tax Credit	$29,575	$29,575	*na*	*na*	*na*	*na*	*na*
Tax Credit for Low-Income Household Renters	$1,708	$1,708	*na*	*na*	*na*	*na*	*na*
Tax Credit for Child and Dependent Care Expenses	$5,308	$5,308	*na*	*na*	*na*	*na*	*na*
Tax Credit for Child Passenger Restraint Systems	$54	$54	*na*	*na*	*na*	*na*	*na*
Tax Credit for Employment of Vocational Rehabilitation Referrals	*d*	*d*	-	-	-	-	-
Low-Income Housing Tax Credit	$31,610	$575	*d*	*d*	*d*	-	$13,673
Tax Credit for School Repair and Maintenance	*d*	*d*	-	-	-	-	-
Earned Income Tax Credit	$21,130	$21,130	*na*	*na*	*na*	*na*	*na*
Lifeline Telephone Service Tax Credit**	$24	*na*	*na*	*na*	*na*	*na*	*na*
Tax Credits to Encourage Certain Industries or Economic Activities							
Fuel Tax Credit for Commercial Fishers	$429	*d*	*d*	-	-	-	-
Motion Picture, Digital Media, and Film Production Income Tax Credit	$42,494	*d*	*d*	-	-	-	-
Renewable Energy Technologies Income Tax Credit	$112,611	$46,586	$15,110	*d*	$503	*d*	-
Enterprise Zone Tax Credit	$744	*d*	*d*	-	-	-	-
Important Agricultural Land Qualified Agricultural Cost Tax Credit	-	-	-	-	-	-	-
Tax Credit for Research Activities	$5,147	$1,178	$3,969	-	-	-	-
Cesspool Upgrade, Conversion or Connection Income Tax Credit	$519	*d*	-	-	*d*	-	-
Renewable Fuels Production Tax Credit	$348	*d*	*d*	-	-	-	-
Organic Foods Production Tax Credit	$103	*d*	*d*	-	-	-	-
Healthcare Preceptor Income Tax Credit	$288	$288	*na*	*na*	*na*	*na*	*na*
Historic Preservation Income Tax Credit	-	-	-	-	-	-	-
Tax Credits to Avoid Double Taxation or Pyramiding of Taxes							
Capital Goods Excise Tax Credit	$33,690	$6,718	$22,068	$4,291	$516	$97	-
Income Tax Paid to Another State or Foreign Country	$66,009	$62,975	*na*	*na*	*d*	*d*	*na*
Expired Tax Credits							
Tax Credits to Promote Social Welfare							
Individual Development Account Contribution Tax Credit	-	-	-	-	-	-	-
Tax Credits to Encourage Certain Industries or Economic Activities							
High Technology Business Investment Tax Credit	$15,491	$3,203	*d*	*d*	*d*	*d*	$1,857
Energy Conservation Tax Credit	***	***	***	***	***	***	***
Hotel Construction and Remodeling Tax Credit	*d*	-	*d*	-	-	-	-
Technology Infrastructure Renovation Tax Credit	$75	$75	-	-	-	-	-
Residential Construction and Remodeling Tax Credit	$149	*d*	*d*	-	-	-	-
Capital Infrastructure Tax Credit	$2,412	*d*	*d*	-	-	-	-
GRAND TOTAL	$370,241	$184,643	$85,373	$79,940	$4,291	$440	$15,530
AGGREGATE TAX LIABILITY BEFORE TAX CREDITS	$3,254,152	$2,770,835	$180,431	$71,974	$25,205	$681	$205,026

* Data supplied by the Insurance Division of the Department of Commerce and Consumer Affairs. ** Data supplied by the Public Utilities Commission.

*** Data for the energy conservation tax credit are included with those for the renewable energy technologies income tax credit. Notes: "*d*" denotes that data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information. "*na*" denotes "not applicable." Details may not add to totals due to rounding.

Table A-2

NUMBER OF RETURNS CLAIMING TAX CREDITS
BY TYPE OF CREDIT AND TYPE OF TAXPAYER - 2020

	TAXPAYER TYPE						
Type of Credit	ALL	Individuals	Corporations	Financial Corporations	Fiduciaries	Exempt Organizations	Insurance Underwriters*
Active Tax Credits							
Tax Credits to Promote Social Welfare							
Refundable Food/Excise Tax Credit	254,262	254,262	*na*	*na*	*na*	*na*	*na*
Tax Credit for Low-Income Household Renters	17,818	17,818	*na*	*na*	*na*	*na*	*na*
Tax Credit for Child and Dependent Care Expenses	15,547	15,547	*na*	*na*	*na*	*na*	*na*
Tax Credit for Child Passenger Restraint Systems	2,143	2,143	*na*	*na*	*na*	*na*	*na*
Tax Credit for Employment of Vocational Rehabilitation Referrals	*d*	*d*	-	-	-	-	-
Low-Income Housing Tax Credit	39	10	*d*	*d*	*d*	-	21
Tax Credit for School Repair and Maintenance	*d*	*d*	-	-	-	-	-
Earned Income Tax Credit	64,430	64,430	*na*	*na*	*na*	*na*	*na*
Lifeline Telephone Service Tax Credit**	*na*	*na*	*na*	*na*	*na*	*na*	*na*
Tax Credits to Encourage Certain Industries or Economic Activities							
Fuel Tax Credit for Commercial Fishers	106	*d*	*d*	-	-	-	-
Motion Picture, Digital Media, and Film Production Income Tax Credit	16	*d*	*d*	-	-	-	-
Renewable Energy Technologies Income Tax Credit	9,088	9,005	63	*d*	12	*d*	-
Enterprise Zone Tax Credit	42	*d*	*d*	-	-	-	-
Important Agricultural Land Qualified Agricultural Cost Tax Credit	-	-	-	-	-	-	-
Tax Credit for Research Activities	27	20	7	-	-	-	-
Cesspool Upgrade, Conversion or Connection Income Tax Credit	94	*d*	-	-	*d*	-	-
Renewable Fuels Production Tax Credit	15	*d*	*d*	-	-	-	-
Organic Foods Production Tax Credit	17	*d*	*d*	-	-	-	-
Healthcare Preceptor Income Tax Credit	144	144	*na*	*na*	*na*	*na*	*na*
Historic Preservation Income Tax Credit	-	-	-	-	-	-	-
Tax Credits to Avoid Double Taxation or Pyramiding of Taxes							
Capital Goods Excise Tax Credit	4,047	3,102	790	14	133	8	-
Income Tax Paid to Another State or Foreign Country	9,787	9,614	*na*	*na*	*d*	*d*	*na*
Expired Tax Credits							
Tax Credits to Promote Social Welfare							
Individual Development Account Contribution Tax Credit	-	-	-	-	-	-	-
Tax Credits to Encourage Certain Industries or Economic Activities							
High Technology Business Investment Tax Credit	179	166	*d*	*d*	*d*	*d*	1
Energy Conservation Tax Credit	***	***	***	***	***	***	***
Hotel Construction and Remodeling Tax Credit	*d*	-	*d*	-	-	-	-
Technology Infrastructure Renovation Tax Credit	6	6	-	-	-	-	-
Residential Construction and Remodeling Tax Credit	12	*d*	*d*	-	-	-	-
Capital Infrastructure Tax Credit	57	*d*	*d*	-	-	-	-
GRAND TOTAL	377,882	376,606	894	25	319	16	22

* Data supplied by the Insurance Division of the Department of Commerce and Consumer Affairs. ** Data supplied by the Public Utilities Commission.

*** Data for the energy conservation tax credit are included with those for the renewable energy technologies income tax credit. Notes: "*d*" denotes that data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information. "*na*" denotes "not applicable." Details may not add to totals due to rounding.

Table A-3
DOLLAR AMOUNTS OF TAX CREDITS CLAIMED BY INDIVIDUALS
BY TYPE OF CREDIT AND TAX DISTRICT - 2020 (in $1,000)

Type of Credit	STATE TOTAL	TAX DISTRICT OAHU* (DISTRICT 1)	MAUI (DISTRICT 2)	HAWAII (DISTRICT 3)	KAUAI (DISTRICT 4)
Active Tax Credits					
Tax Credits to Promote Social Welfare					
Refundable Food/Excise Tax Credit	$29,575	$19,138	$3,607	$5,253	$1,576
Tax Credit for Low-Income Household Renters	$1,708	$1,298	$181	$182	$48
Tax Credit for Child and Dependent Care Expenses	$5,308	$4,085	$523	$487	$213
Tax Credit for Child Passenger Restraint Systems	$54	$39	$5	$7	$2
Tax Credit for Employment of Vocational Rehabilitation Referrals	*d*	-	-	*d*	-
Low-Income Housing Tax Credit	$575	*d*	*d*	-	*d*
Tax Credit for School Repair and Maintenance	*d*	*d*	-	*d*	-
Earned Income Tax Credit	$21,130	$13,235	$2,786	$3,944	$1,166
Lifeline Telephone Service Tax Credit	*na*	*na*	*na*	*na*	*na*
Tax Credits to Encourage Certain Industries or Economic Activities					
Fuel Tax Credit for Commercial Fishers	*d*	$350	*d*	$21	$7
Motion Picture, Digital Media, and Film Production Income Tax Credit	*d*	*d*	-	-	-
Renewable Energy Technologies Income Tax Credit	$46,586	$35,808	$5,289	$3,523	$1,966
Enterprise Zone Tax Credit	*d*	$326	*d*	*d*	*d*
Important Agricultural Land Qualified Agricultural Cost Tax Credit	-	-	-	-	-
Tax Credit for Research Activities	$1,178	*d*	*d*	*d*	-
Cesspool Upgrade, Conversion or Connection Income Tax Credit	*d*	$249	*d*	$113	$76
Renewable Fuels Production Tax Credit	*d*	*d*	*d*	*d*	-
Organic Foods Production Tax Credit	*d*	*d*	-	*d*	-
Healthcare Preceptor Income Tax Credit	$288	$253	*d*	$21	*d*
Historic Preservation Income Tax Credit	-	-	-	-	-
Tax Credits to Avoid Double Taxation or Pyramiding of Taxes					
Capital Goods Excise Tax Credit	$6,718	$4,863	$798	$637	$421
Income Tax Paid to Another State or Foreign Country	$62,975	$36,596	$10,464	$10,999	$4,916
Expired Tax Credits					
Tax Credits to Promote Social Welfare					
Individual Development Account Contribution Tax Credit	-	-	-	-	-
Tax Credits to Encourage Certain Industries or Economic Activities					
High Technology Business Investment Tax Credit	$3,203	$2,756	$211	*d*	*d*
Energy Conservation Tax Credit	**	**	**	**	**
Hotel Construction and Remodeling Tax Credit	-	-	-	-	-
Technology Infrastructure Renovation Tax Credit	$75	*d*	-	*d*	-
Residential Construction and Remodeling Tax Credit	*d*	*d*	-	*d*	*d*
Capital Infrastructure Tax Credit	*d*	*d*	.	-	-
GRAND TOTAL	$184,643	$124,346	$24,045	$25,582	$10,670

* The figures for Oahu include tax credits claimed on Form N-15 by nonresidents who had an out-of-state address. ** Data for the energy conservation tax credit are included with those for the renewable energy technologies income tax credit. Notes: "*d*" denotes the data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information. "*na*" denotes "not applicable." Details may not add to totals due to rounding.

Table A-4

NUMBER OF INDIVIDUAL INCOME TAX RETURNS WITH CLAIMS FOR TAX CREDITS BY TYPE OF CREDIT AND TAX DISTRICT - 2020

Type of Credit	STATE TOTAL	TAX DISTRICT OAHU* (DISTRICT 1)	MAUI (DISTRICT 2)	HAWAII (DISTRICT 3)	KAUAI (DISTRICT 4)
Active Tax Credits					
Tax Credits to Promote Social Welfare					
Refundable Food/Excise Tax Credit	254,262	167,265	31,717	41,586	13,694
Tax Credit for Low-Income Household Renters	17,818	13,583	1,915	1,789	531
Tax Credit for Child and Dependent Care Expenses	15,547	11,847	1,569	1,503	628
Tax Credit for Child Passenger Restraint Systems	2,143	1,564	198	285	96
Tax Credit for Employment of Vocational Rehabilitation Referrals	*d*	-	-	*d*	-
Low-Income Housing Tax Credit	10	*d*	*d*	-	*d*
Tax Credit for School Repair and Maintenance	*d*	*d*	-	*d*	-
Earned Income Tax Credit	64,430	41,847	8,223	10,909	3,451
Lifeline Telephone Service Tax Credit	*na*	*na*	*na*	*na*	*na*
Tax Credits to Encourage Certain Industries or Economic Activities					
Fuel Tax Credit for Commercial Fishers	*d*	49	*d*	35	16
Motion Picture, Digital Media, and Film Production Income Tax Credit	*d*	*d*	-	-	-
Renewable Energy Technologies Income Tax Credit	9,005	6,247	1,206	1,080	472
Enterprise Zone Tax Credit	*d*	27	*d*	*d*	*d*
Important Agricultural Land Qualified Agricultural Cost Tax Credit	-	-	-	-	-
Tax Credit for Research Activities	20	*d*	*d*	*d*	-
Cesspool Upgrade, Conversion or Connection Income Tax Credit	*d*	48	*d*	20	15
Renewable Fuels Production Tax Credit	*d*	*d*	*d*	*d*	-
Organic Foods Production Tax Credit	*d*	*d*	-	*d*	-
Healthcare Preceptor Income Tax Credit	144	117	*d*	15	*d*
Historic Preservation Income Tax Credit	-	-	-	-	-
Tax Credits to Avoid Double Taxation or Pyramiding of Taxes					
Capital Goods Excise Tax Credit	3,102	2,125	400	366	211
Income Tax Paid to Another State or Foreign Country	9,614	6,280	1,318	1,419	597
Expired Tax Credits					
Tax Credits to Promote Social Welfare					
Individual Development Account Contribution Tax Credit	-	-	-	-	-
Tax Credits to Encourage Certain Industries or Economic Activities					
High Technology Business Investment Tax Credit	166	134	19	*d*	*d*
Energy Conservation Tax Credit	**	**	**	**	**
Hotel Construction and Remodeling Tax Credit	-	-	-	-	-
Technology Infrastructure Renovation Tax Credit	6	*d*	-	*d*	-
Residential Construction and Remodeling Tax Credit	*d*	*d*	-	*d*	*d*
Capital Infrastructure Tax Credit	*d*	*d*	-	-	-
GRAND TOTAL	376,606	251,226	46,598	59,053	19,729

* The figures for Oahu include tax credits claimed on Form N-15 by nonresidents who had an out-of-state address. ** Data for the energy conservation tax credit are included with those for the renewable energy technologies income tax credit. Notes: "*d*" denotes the data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information. "*na*" denotes "not applicable." Details may not add to totals due to rounding.

Table A-5
DOLLAR AMOUNTS OF TAX CREDITS CLAIMED BY INDIVIDUALS
BY TYPE OF CREDIT AND INCOME CLASS* - 2020 (in $1,000)

Type of Credit	ALL	INCOME CLASS: Less than $10,000	$10,000 to $29,999	$30,000 to $59,999	$60,000 to $99,999	$100,000 to $199,999	$200,000 or more
Active Tax Credits							
Tax Credits to Promote Social Welfare							
Refundable Food/Excise Tax Credit	$29,575	$12,621	$11,137	$5,469	$245	$70	$33
Tax Credit for Low-Income Household Renters	$1,708	*d*	$949	*d*	-	-	-
Tax Credit for Child and Dependent Care Expenses	$5,308	$65	$450	$1,204	$961	$1,936	$693
Tax Credit for Child Passenger Restraint Systems	$54	$4	$6	$13	$11	$15	$4
Tax Credit for Employment of Vocational Rehabilitation Referrals	*d*	-	-	-	-	*d*	-
Low-Income Housing Tax Credit	$575	-	-	-	*d*	*d*	*d*
Tax Credit for School Repair and Maintenance	*d*	-	-	-	-	-	*d*
Earned Income Tax Credit	$21,130	$147	$8,453	$11,897	$534	$83	$18
Lifeline Telephone Service Tax Credit	*na*	*na*	*na*	*na*	*na*	*na*	*na*
Tax Credits to Encourage Certain Industries or Economic Activities							
Fuel Tax Credit for Commercial Fishers	*d*	$141	$14	$50	$57	$97	*d*
Motion Picture, Digital Media, and Film Production Income Tax Credit	*d*	*d*	-	*d*	-	-	*d*
Renewable Energy Technologies Income Tax Credit	$46,586	$2,651	$1,848	$2,669	$4,607	$11,972	$22,839
Enterprise Zone Tax Credit	*d*	-	*d*	*d*	*d*	*d*	$434
Important Agricultural Land Qualified Agricultural Cost Tax Credit	-	-	-	-	-	-	-
Tax Credit for Research Activities	$1,178	*d*	*d*	*d*	*d*	*d*	*d*
Cesspool Upgrade, Conversion or Connection Income Tax Credit	*d*	-	*d*	$21	$59	$202	$226
Renewable Fuels Production Tax Credit	*d*	-	*d*	*d*	*d*	*d*	*d*
Organic Foods Production Tax Credit	*d*	-	*d*	*d*	*d*	*d*	*d*
Healthcare Preceptor Income Tax Credit	$288	-	-	*d*	*d*	$76	$199
Historic Preservation Income Tax Credit	-	-	-	-	-	-	-
Tax Credits to Avoid Double Taxation or Pyramiding of Taxes							
Capital Goods Excise Tax Credit	$6,718	$500	$146	$258	$234	$709	$4,871
Income Tax Paid to Another State or Foreign Country	$62,975	$14	$237	$771	$1,589	$4,718	$55,646
Expired Tax Credits							
Tax Credits to Promote Social Welfare							
Individual Development Account Contribution Tax Credit	-	-	-	-	-	-	-
Tax Credits to Encourage Certain Industries or Economic Activities							
High Technology Business Investment Tax Credit	$3,203	*d*	*d*	$32	$62	$234	$2,872
Energy Conservation Tax Credit	**	**	**	**	**	**	**
Hotel Construction and Remodeling Tax Credit	-	-	-	-	-	-	-
Technology Infrastructure Renovation Tax Credit	$75	-	-	*d*	*d*	-	*d*
Residential Construction and Remodeling Tax Credit	*d*	-	*d*	*d*	-	*d*	-
Capital Infrastructure Tax Credit	*d*	-	-	*d*	*d*	*d*	$2,294
GRAND TOTAL	$184,643	$16,934	$23,250	$22,721	$8,498	$20,278	$92,965
AGGREGATE TAX LIABILITY BEFORE TAX CREDITS* **	$2,770,835	$7,476	$92,947	$367,343	$426,567	$698,171	$1,178,332

* Income class is measured using Hawaii AGI for Form N-11 and total AGI for Form N-15. ** Data for the energy conservation tax credit are included with those for the renewable energy technologies income tax credit. *** Tax liabilities reported on individual income tax returns filed for Tax Year 2019. Notes: "*d*" denoted that data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information. "*na*" denotes "not applicable." Details may not add to totals due to rounding.

Table A-6

NUMBER OF INDIVIDUAL INCOME TAX RETURNS WITH CLAIMS FOR TAX CREDITS BY TYPE OF CREDIT AND INCOME CLASS* - 2020

Type of Credit	ALL	INCOME CLASS: Less than $10,000	$10,000 to $29,999	$30,000 to $59,999	$60,000 to $99,999	$100,000 to $199,999	$200,000 or more
Active Tax Credits							
Tax Credits to Promote Social Welfare							
Refundable Food/Excise Tax Credit	254,262	94,979	106,225	50,857	1,708	352	141
Tax Credit for Low-Income Household Renters	17,818	*d*	10,148	*d*	-	-	-
Tax Credit for Child and Dependent Care Expenses	15,547	151	949	3,058	3,132	6,168	2,089
Tax Credit for Child Passenger Restraint Systems	2,143	160	260	522	444	588	169
Tax Credit for Employment of Vocational Rehabilitation Referrals	*d*	-	-	-	-	*d*	-
Low-Income Housing Tax Credit	10	-	-	-	*d*	*d*	*d*
Tax Credit for School Repair and Maintenance	*d*	-	-	-	-	-	*d*
Earned Income Tax Credit	64,430	3,119	31,884	28,041	1,216	136	34
Lifeline Telephone Service Tax Credit	*na*	*na*	*na*	*na*	*na*	*na*	*na*
Tax Credits to Encourage Certain Industries or Economic Activities							
Fuel Tax Credit for Commercial Fishers	*d*	20	11	24	18	20	*d*
Motion Picture, Digital Media, and Film Production Income Tax Credit	*d*	*d*	-	*d*	-	-	*d*
Renewable Energy Technologies Income Tax Credit	9,005	598	955	1,487	1,658	2,629	1,678
Enterprise Zone Tax Credit	*d*	-	*d*	*d*	*d*	*d*	25
Important Agricultural Land Qualified Agricultural Cost Tax Credit	-	-	-	-	-	-	-
Tax Credit for Research Activities	20	*d*	*d*	*d*	*d*	*d*	*d*
Cesspool Upgrade, Conversion or Connection Income Tax Credit	*d*	-	*d*	14	17	33	27
Renewable Fuels Production Tax Credit	*d*	-	*d*	*d*	*d*	*d*	*d*
Organic Foods Production Tax Credit	*d*	-	*d*	*d*	*d*	*d*	*d*
Healthcare Preceptor Income Tax Credit	144	-	-	*d*	*d*	40	96
Historic Preservation Income Tax Credit	-	-	-	-	-	-	-
Tax Credits to Avoid Double Taxation or Pyramiding of Taxes							
Capital Goods Excise Tax Credit	3,102	304	257	320	323	539	1,359
Income Tax Paid to Another State or Foreign Country	9,614	366	1,106	1,494	1,560	2,336	2,752
Expired Tax Credits							
Tax Credits to Promote Social Welfare							
Individual Development Account Contribution Tax Credit	-	-	-	-	-	-	-
Tax Credits to Encourage Certain Industries or Economic Activities							
High Technology Business Investment Tax Credit	166	*d*	*d*	24	25	43	59
Energy Conservation Tax Credit	**	**	**	**	**	**	**
Hotel Construction and Remodeling Tax Credit	-	-	-	-	-	-	-
Technology Infrastructure Renovation Tax Credit	6	-	-	*d*	*d*	-	*d*
Residential Construction and Remodeling Tax Credit	*d*	-	*d*	*d*	-	*d*	-
Capital Infrastructure Tax Credit	*d*	-	-	*d*	*d*	*d*	46
GRAND TOTAL	376,606	107,369	151,822	85,866	10,121	12,915	8,513

* Income class is measured using Hawaii AGI for Form N-11 and total AGI for Form N-15.
** Data for the energy conservation tax credit are included with those for the renewable energy technologies income tax credit.
Notes: "*d*" denotes that the data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information. "*na*" denotes "not applicable."

Table A-7
NUMBER OF RESIDENT INDIVIDUAL RETURNS (FORM N-11) CLAIMING SELECTED TAX CREDITS
BY GEOGRAPHICAL AREAS - 2020

	Number of Returns	Refundable Food/Excise Tax Credit	Tax Credit for Low-Income Household Renters	Tax Credit for Child and Dependent Care Expenses	Earned Income Tax Credit	Tax Credit for Child Passenger Restraint Systems	Renewable Energy Technologies Income Tax Credit	Capital Goods Excise Tax Credit	Income Tax Paid to Another State or to a Foreign Country
State Total	653,513	251,231	17,715	15,280	60,748	1,950	8,616	2,741	9,085
Oahu									
Downtown & Nuuanu	56,531	23,728	2,954	1,135	4,967	154	348	312	660
Kaimuki to Hawaii Kai	48,945	13,764	1,033	1,454	2,471	150	1,102	460	1,153
Makiki to Waikiki	50,055	18,219	2,673	931	3,660	120	353	244	724
Airport, Kalihi	37,574	16,300	1,678	877	4,254	91	299	86	170
Aiea, Pearl City	36,656	11,634	680	978	2,558	127	645	76	255
Waipahu	35,356	14,288	1,157	842	3,589	87	398	49	105
Kapolei, Ewa	50,757	17,180	766	1,852	4,554	159	779	117	378
Wahiawa, Mililani	35,804	11,075	582	1,129	2,663	129	632	90	275
Waianae Coast	19,610	10,083	545	296	3,051	46	164	23	69
Kailua, Kaneohe	47,761	14,190	673	1,474	3,060	186	967	250	890
Oahu North Shore	12,004	5,298	290	191	1,371	45	125	32	185
Maui									
Wailuku, Kahului	29,679	11,743	686	671	3,202	86	399	128	205
Kihei	12,520	4,848	405	199	1,088	21	248	47	387
Lahaina	10,980	4,270	207	152	1,088	15	127	42	203
Rural Maui	19,873	8,454	513	498	2,068	62	386	167	436
Molokai	2,985	1,695	39	26	485	*d*	*d*	*d*	*d*
Lanai	1,626	565	57	16	169	*d*	*d*	*d*	*d*
Hawaii									
Hilo	25,475	11,697	760	643	2,996	99	227	90	196
Hamakua Coast	6,239	3,139	86	78	762	16	82	32	80
Kohala	11,755	4,546	123	195	1,178	29	172	58	304
Kona	24,263	10,419	409	364	2,878	62	295	135	576
Puna to Kau	19,807	11,598	402	210	2,941	70	263	47	213
Kauai									
Lihue	9,073	3,546	123	189	843	19	112	51	83
North Kauai	13,447	5,686	242	238	1,476	41	189	104	313
Koloa-Poipu	2,598	1,027	42	41	243	*d*	52	*d*	78
West Kauai	8,850	3,365	119	154	843	23	112	35	104
Other/Unknown	23,290	8,874	471	447	2,290	96	107	38	1,008

Notes: "*d*" denotes that the data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information.

Table A-8
NUMBER AND AMOUNT OF TAX CREDIT FOR LOW-INCOME HOUSEHOLD RENTERS CLAIMED, NUMBER OF QUALIFIED EXEMPTIONS BY HAWAII ADJUSTED GROSS INCOME - 2020

Adjusted Gross Income Class *	Number of Returns with Claims	Number of Exemptions	Amount of Tax Credits Claimed
Under $1,000	4,689	10,139	$483,330
$1,000 - < $3,000	735	1,424	$68,200
$3,000 - < $5,000	619	1,195	$56,500
$5,000 - < $7,000	682	1,333	$64,350
$7,000 - < $9,000	622	1,157	$55,900
$9,000 - < $11,000	669	1,298	$62,450
$11,000 - < $13,000	786	1,526	$72,850
$13,000 - < $15,000	746	1,490	$71,350
$15,000 - < $17,000	770	1,476	$71,000
$17,000 - < $20,000	1,445	2,841	$136,850
$20,000 - < $25,000	3,093	5,863	$283,000
$25,000 - < $35,000	2,962	5,835	$282,150
State Total	17,818	35,577	$1,707,930

* Income class is measured using Hawaii AGI for Form N-11 and total AGI for Form N-15.

Table A-9

NUMBER AND AMOUNT OF CAPITAL GOODS EXCISE TAX CREDITS CLAIMED BY INDIVIDUAL RETURNS BY HAWAII ADJUSTED GROSS INCOME - 2020

Adjusted Gross Income Class*	Number of Claims	Amount Claimed
Under $10,000	304	$499,958
$10,000 - < $20,000	121	$48,349
$20,000 - < $30,000	136	$97,861
$30,000 - < $40,000	110	$70,237
$40,000 - < $50,000	109	$110,734
$50,000 - < $75,000	224	$145,811
$75,000 - < $100,000	200	$165,248
$100,000 - < $150,000	298	$266,541
$150,000 - < $200,000	241	$442,753
$200,000 or more	1,359	$4,870,537
Total	3,102	$6,718,029

* Income class is measured using Hawaii AGI for Form N-11 and total AGI for Form N-15.

Table A-10

NUMBER AND AMOUNT OF CAPITAL GOODS EXCISE TAX CREDIT CLAIMED ON CORPORATION AND FINANCIAL CORPORATION RETURNS BY GROSS RECEIPTS CLASS - 2020

Gross Receipts Class *	Number of Claims	Amount Claimed
Under $100,000	64	$271,486
$100,000 - < $500,000	92	$938,913
$500,000 - < $1,000,000	70	$364,314
$1,000,000 - < $5,000,000	253	$683,320
$5,000,000 - < $10,000,000	94	$874,808
$10,000,000 and over	231	$23,226,440
Total	804	$26,359,281

* For apportioned returns, gross receipts are the gross sales less returns and allowances within Hawaii reported on Schedule P.

Table A-11

DISTRIBUTION OF TAX CREDITS IN TAX YEARS 2018, 2019 AND 2020

Type of Credit	2018 Amount (in $1,000)	2018 % of Total	2018 # of Claims	2019 Amount (in $1,000)	2019 % of Total	2019 # of Claims	2020 Amount (in $1,000)	2020 % of Total	2020 # of Claims
Total, All Tax Credits	$341,928	100.0	366,066	$300,563	100.0	371,913	$370,241	100.0	377,882
Active Tax Credits									
Tax Credits to Promote Social Welfare									
Refundable Food/Excise Tax Credit	$28,413	8.3	239,218	$28,352	9.4	240,158	$29,575	8.0	254,262
Tax Credit for Low-Income Household Renters	$2,132	0.6	21,081	$2,024	0.7	20,530	$1,708	0.5	17,818
Tax Credit for Child and Dependent Care Expenses	$9,043	2.6	23,683	$8,747	2.9	22,792	$5,308	1.4	15,547
Tax Credit for Child Passenger Restraint Systems	$61	0.0	2,460	$61	0.0	2,458	$54	0.0	2,143
Tax Credit for Employment of Vocational Rehabilitation Referrals	*d*	*d*	*d*	-	-	-	*d*	*d*	*d*
Low-Income Housing Tax Credit	$28,643	8.4	29	$25,292	8.4	37	$31,610	8.5	39
Tax Credit for School Repair and Maintenance	*d*	*d*	*d*	*d*	*d*	*d*	*d*	*d*	*d*
Earned Income Tax Credit	$15,583	4.6	57,134	$18,116	6.0	61,404	$21,130	5.7	64,430
Lifeline Telephone Service Tax Credit	$34	0.0	*na*	$27	0.0	*na*	$24	0.0	*na*
Tax Credits to Encourage Certain Industries or Economic Activities									
Fuel Tax Credit for Commercial Fishers	$372	0.1	121	$415	0.1	124	$429	0.1	106
Motion Picture, Digital Media, and Film Production Income Tax Credit	$80,228	23.5	25	$38,893	12.9	25	$42,494	11.5	16
Renewable Energy Technologies Income Tax Credit	$70,497	20.6	7,436	$60,313	20.1	9,036	$112,611	30.4	9,088
Enterprise Zone Tax Credit	$1,127	0.3	73	$1,263	0.4	58	$744	0.2	42
Important Agricultural Land Qualified Agricultural Cost Tax Credit	*d*	*d*	*d*	*d*	*d*	*d*	-	-	-
Tax Credit for Research Activities	$2,373	0.7	54	$3,769	1.3	52	$5,147	1.4	27
Cesspool Upgrade, Conversion or Connection Income Tax Credit	$219	0.1	41	$371	0.1	64	$519	0.1	94
Renewable Fuels Production Tax Credit	$330	0.1	18	$314	0.1	20	$348	0.1	15
Organic Foods Production Tax Credit	$14	0.0	6	$70	0.0	17	$103	0.0	17
Healthcare Preceptor Income Tax Credit	*na*	*na*	*na*	$310	0.1	146	$288	0.1	144
Historic Preservation Income Tax Credit	*na*	*na*	*na*	*na*	*na*	*na*	-	-	-
Tax Credits to Avoid Double Taxation or Pyramiding of Taxes									
Capital Goods Excise Tax Credit	$34,080	10.0	4,349	$37,671	12.5	4,409	$33,690	9.1	4,047
Income Tax Paid to Another State or Foreign Country	$51,460	15.0	9,971	$56,449	18.8	10,222	$66,009	17.8	9,787
Expired Tax Credits									
Tax Credits to Promote Social Welfare									
Individual Development Account Contribution Tax Credit	-	-	-	*d*	*d*	*d*	-	-	-
Tax Credits to Encourage Certain Industries or Economic Activities									
High Technology Business Investment Tax Credit	$12,344	3.6	258	$13,322	4.4	231	$15,491	4.2	179
Energy Conservation Tax Credit*	*	*	*	*	*	*	*	*	*
Hotel Construction and Remodeling Tax Credit	*d*	*d*	*d*	*d*	*d*	*d*	*d*	*d*	*d*
Technology Infrastructure Renovation Tax Credit	*d*	*d*	*d*	$11	0.0	6	$75	0.0	6
Residential Construction and Remodeling Tax Credit	$206	0.1	26	$75	0.0	25	$149	0.0	12
Capital Infrastructure Tax Credit	$1,907	0.6	66	$3,154	1.0	94	$2,412	0.7	57

* Data for the energy conservation tax credit are included with those for the renewable energy technologies income tax credit.
Notes: "*d*" denotes that data in the cell were suppressed to prevent potential disclosure of confidential taxpayer information. "*na*" denotes "not applicable."

APPENDIX B

TAX CREDIT HISTORY

Table B-1

NUMBER AND TYPE OF CREDITS AVAILABLE BY TAX YEARS (1965-2020)

Type of Credit	Tax Year																										
	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92
Historic Preservation Income																												
Healthcare Preceptor																												
Earned Income																												
Organic Foods Production																												
Renewable Fuels Produc.																												
Cesspool Upgrade, Conv.																												
Capital Infrastructure																												
Important Agric. Land																												
Credit for Flood Victims																												
Ethanol Investment / Facility																												
Residential Remodeling																												
Drought Mitigation																												
School Repair																												
Tech. Infrastructure																												
High Technology Bus. Inv.																												
Research Activity																												
Individual Development																												
Low-income, Food/Excise																												
Motion Picture																												
Hotel Remodeling																												
Nurse Facilities																												
Job Rehabilitation																											x	x
Renewable Energy Tech.																												
Ko Olina																												
Food / Excise																										x	x	x
Medical Services																									x	x	x	x
Capital Goods Excise																								x	x	x	x	x
Low-Income Housing																								x	x	x	x	x
Food																							x	x	x			
Lifeline Telephone																						x	x	x	x	x	x	x
Enterprise Zone																						x	x	x	x	x	x	x
Car Pass. Restraint System																		x	x	x	x	x	x	x	x	x	x	x
General Income																	x	x	x	x	x	x	x	x	x	x	x	x
Commercial Fishers																x	x	x	x	x	x	x	x	x	x	x	x	x
Dependent Care													x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Energy Conservation											x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Excise										x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Dangerous Item							x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x						
Rent						x	x	x	x				x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Drug / Medical						x	x	x	x																			
Education	x	x	x	x	x	x	x	x	x																			
Consumer-Type	x	x	x	x	x	x	x	x	x																			
Out of State Taxes Paid	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x

Table B-1 (Cont.)
NUMBER AND TYPE OF CREDITS AVAILABLE BY TAX YEARS (1965-2020)

Type of Credit	Tax Year																										
	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20
Historic Preservation Income																												x
Healthcare Preceptor																											x	x
Earned Income																										x	x	x
Organic Foods Production																									x	x	x	x
Renewable Fuels Production																									x	x	x	x
Cesspool Upgrade, Conv.																								x	x	x	x	x
Capital Infrastructure																						x	x	x	x	x	x	x
Important Agric. Land																x	x	x	x	x	x	x	x	x	x	x	x	x
Credit for Flood Victims														x														
Ethanol Investment / Facility										x	x	x	x	x	x	x	x	x	x	x	x	x	x	x				
Residential Remodeling									x	x	x																	
Drought Mitigation									x	x	x	x	x															
School Repair									x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Tech. Infrastructure									x	x	x	x	x	x	x	x	x	x										
High Technology Bus. Inv.								x	x	x	x	x	x	x	x	x	x	x										
Research Activity								x	x	x	x	x	x	x	x	x	x	x			x	x	x	x	x	x	x	x
Individual Development								x	x	x	x	x																
Low-income, Food/Excise							x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Motion Picture					x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Hotel Remodeling					x	x	x	x	x	x	x	x																
Nurse Facilities	x	x	x	x	x																							
Job Rehabilitation	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Renewable Energy Tech.											x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Ko Olina													x	x	x	x	x											
Food / Excise	x	x																										
Medical Services	x	x																										
Capital Goods Excise	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x
Low-Income Housing	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Food			x	x	x	x																						
Lifeline Telephone	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Enterprise Zone	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Car Pass. Restraint System	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
General Income	x	x	x						x	x					x	x	x											
Commercial Fishers	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Dependent Care	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Energy Conservation	x	x	x	x	x	x	x	x	x	x	x																	
Excise	x	x																										
Dangerous Item																												
Rent	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Drug / Medical																												
Education																												
Consumer-Type																												
Out of State Taxes Paid	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x

Table B-2
Outline of Tax Credit History by Year of Enactment

Year	Act	Type of Tax Credit	Description of the Tax Credit or Its Modification
1965	155	Consumer-type	Range established at $18 to $0.45 per qualified exemption based on modified adjusted gross income (MAGI).
	155	Education credit	Set at $50 to $2 for higher education, $20 to $2 for K12, based on modified adjusted gross income (MAGI).
1967	229	Credit against individual income tax	Formerly named the consumer-type credit; limited to residents with MAGI under $7,000; credit range changed to $20 to $1 per qualified exemption.
	229	Education credit	Limited to residents with adjusted gross income (AGI) under $7,000.
1969	60	Credit against individual income tax	Expands upper income limit to MAGI under $10,000, raises maximum credit per qualified exemption to $21.
1970	180	Drug and medical expense credit	Credit range established at 4% to 1% of expenses, based on MAGI under $14,000.
	180	Rent credit	Credit range of 2% to 1% of rent paid, inversely graduated to AGI under $15,000.
1971	59	Drug and medical expense credit	Person aged 65 or older allowed two exemptions beginning with 1972 tax year.
1974	221	Excise credit	Replaces four previous credits: credit against individual income tax, education, drug and medical expense, and rent credits; set at $30 to $6 per qualified exemption based on AGI under $15,000.
1976	189	Energy device credit	Set at 10% of cost of solar device installed after 12/31/74 but before 12/31/81.
	208	Excise credit	Raises maximum credit to $40 per qualified exemption; raised AGI ceiling to under $20,000; person aged 65 or over allowed two exemptions.
1977	15	Rent credit	Set at $20 per qualified exemption; AGI must be less than $20,000 and annual rent must be greater than $1,000; age 65 or over allowed two exemptions.
	196	Child and dependent care credit	Set at 5% of care expenses; maximum credit $100 for one and $200 for two or more qualified dependents.
1978	19	Hot water insulation credit	Up to $30 for cost of materials; expired 12/31/84.
1980	228	Excise Credit	Increases credit per qualified exemption; new range $48 to $8.

Table B-2 (Cont.)
Outline of Tax Credit History by Year of Enactment

Year	Act	Type of Tax Credit	Description of the Tax Credit or Its Modification
1981	230	Rent credit	Raised to $50 per qualified exemption.
	231	General income credit	Set at $100 per qualified exemption.
	233	Energy device credit	Expanded to include home heat pumps and wind energy devices; extended expiration date to 12/30/85.
	234	Child and dependent care credit	Raised to 10% of expenses; maximum credit raised to $200 for one and $400 for two or more qualified decedents.
1982	25	Child and dependent care credit	Changed to graduated credit ranging from 15% to 10% of expenses, based on AGI; maximum credit raised to $360 for one and $720 for two or more qualified dependents.
	134	Child passenger restraint credit	Set at $25 per return for purchase of qualified care seat.
	265	General income credit	Reduced to $25 per qualified exemption.
1983	67	Energy device credit	Eligibility extended to heat pumps for commercial use.
	97	General income credit	Reduced to $1 per qualified exemption.
1984	55	General income credit	$1 per qualified exemption.
1985	81	General income credit	$1 per qualified exemption.
	232	Energy device credit	Extended expiration date to 12/30/92; increases to 15% if federal energy credit not extended beyond 12/31/85.
1986	49	General income credit	$1 per qualified exemption.
	66	Energy device credit	Raised to 15% if federal energy credit not retroactively extended or reenacted.
	70	Energy device credit	Expanded to include ice storage systems with credit set at 10% of cost.
1987	41	General income credit	$1 per qualified exemption.
	239	Food credit	Set at $45 per qualified exemption; to expire 12/31/90.
	239	Capital goods excise credit	Set at 3% of cost of qualified tangible business property for tax year 1988 and 4% of cost for 1989 and thereafter.
1988	11	Excise credit	Credit range changed to $55 to $10 per qualified exemption; AGI ceiling raised to $30,000.
	185	General income credit	$1 per qualified exemption.
	216	Low-income housing credit	30% credit on the qualified basis of each low-income building located in Hawaii as provided in IRC section 43(b).

Table B-2 (Cont.)
Outline of Tax Credit History by Year of Enactment

Year	Act	Type of Tax Credit	Description of the Tax Credit or Its Modification
1989	307	Energy device credit	Raised to 20% of cost if placed in service after 12/31/89.
	321	Medical services excise credit	Set at 4% of qualified medical expenses; maximum credit $200 for most residents, $400 if 65 or older, and $600 if both joint taxpayers 65 years or older.
	321	Rent credit	AGI ceiling raised to $30,000.
	321	Child and dependent care credit	Credit made refundable if it exceeds tax liability; AGI ceiling for maximum 15% rate raised from $10,000 to $22,000.
	322	Child and dependent care credit	Raises rate to 25% to 15% of qualified expenses effective after 12/31/89.
	323	General income credit	$125 per qualified exemption.
1990	98	Renter's credit	Allows residents with no taxable income to claim the credit.
	186	General income credit	Reduced to $60 per qualified exemption.
	187	Food/excise credit	Repeals excise credit and created a permanent food/excise credit; food credit increased from $45 to $55 per qualified exemption; no change in excise credit rates.
	319	Energy device credit	Extends expiration date to 12/31/98; credit ceilings set according to device and type of dwelling: solar device--lesser of 35% of cost or $1,750 if placed in single-family dwelling or $350 if placed in multi-family dwelling, no cap for hotel, commercial, or industrial installation; heat pump--lesser of 20% of cost or $400 if installed in single-family unit or $200 if placed in multi-family unit; no cap for hotel, commercial, or industrial installations; wind energy device--rate increased from 15% to 20% of cost; ice storage systems--rate increased to 50% of cost if installed and placed in service after 12/31/90.
1991	137	Job credit	20% of wage up to $1,200 per vocational rehabilitation employee.
	179	General income credit	$1 per qualified exemption.
	217	Medical services excise credit	Extends the medical service excise credit to 12/31/96.
1992	128	General income credit	$1 per qualified exemption.
1993	184	General income credit	$1 per qualified exemption.
	315	Medical services excise credit	6% of nursing facility expenses.
1994	85	General income credit	$1 per qualified exemption.

Table B-2 (Cont.)
Outline of Tax Credit History by Year of Enactment

Year	Act	Type of Tax Credit	Description of the Tax Credit or Its Modification
1995	23	Medical services excise credit	Repeals the 4% portion of the tax credit and retains 6% of the nursing facility tax portion.
	93	General income credit	$1 per qualified exemption.
	134	Medical services excise credit	Repeals the medical service tax credit and the nursing facilities tax credit.
	134	Food/excise credit	Reduces the food portion of the food/excise tax credit from $55 to $27 per qualified exemption, and repeales the excise portion of the food/excise tax credit.
1996	286	Enterprise zone credit	Exempts general excise taxes on the gross proceeds from manufacture of tangible personal property, the wholesale of tangible personal property, or the engaging in a service business by qualified businesses in the enterprise zone.
1997	107	Motion picture credit	Provides an income tax credit of up to 4% of costs incurred, and of up to 6% of transient accommodations costs incurred in the production of motion picture or television films in the state.
	108	Hotel remodeling credit	Provides an income tax credit equal to 4% of the renovation costs for each qualified hotel facility located in Hawaii, with tax credit cap of 10% of the transient accommodations tax paid by the taxpayer in the preceding tax year.
1998	156	Motion picture credit	Increases credit from 6% to 7.25% of transient accommodations costs incurred.
	157	Food tax credit	Repeals food tax credit beginning tax year 1999.
	157	Low-income credit	Establishes refundable graduated low-income credit beginning tax year 1999.
	163	Energy device credit	Extends sunset date for energy device credits to July 1, 2003.
1999	24	Low-income housing credit	Expands to include insurance companies.
	160	IDA credit	IDA tax credit up to 50% of contribution to an individual development account (IDA).
	178	High technology credit	10% of the investment made by the taxpayer in each qualified high technology business, up to a maximum allowed credit of $500,000, effective tax years 1999 to 2005.
	178	Research activity credit	Adopts federal income tax credit for increasing research activities, effective tax years 2000 to 2005.
	306	Qualified improvement credit	Qualified improvement tax credit for capitalized costs of construction and equipment of a permanent nature with respect to resort and hotel properties. Unspecified percent of credit may be applied against GET, income, PSC or TAT.
2000	148	Low-income housing credit	Allows partnerships to claim low-income housing credit.

Table B-2 (Cont.)
Outline of Tax Credit History by Year of Enactment

Year	Act	Type of Tax Credit	Description of the Tax Credit or Its Modification
2000	184	Individual development account	5% of amount contributed to an IDA up to $1 million, between January 01, 2000 and December 31, 2004.
	174	Research activity credit	Retains credit for increasing research activities, even if federal credit is repealed.
	289	Ethanol investment credit	16 step investment tax credits for ethanol production facility based on gallons produced, capped at lesser of 30% of investment of specified dollar amount per step. Effective after December 31, 2001.
	297	Research activity credit	Makes the credit refundable.
	297	High technology credit	Eases requirements to qualify for credit.
2001	36	General income credit	$1 per qualified exemption.
	221	Research activities credit	Removes requirement for increasing research.
	221	High technology business investment credit	Increases maximum credit to $2 million and credit percentage to 100%.
	221	Technology infrastructure renovation income tax credit	Provides a nonrefundable technology infrastructure renovation income tax credit equal to 4% of the "renovation costs" for each commercial building located in Hawaii. The credit is available for tax years 2001 through 2005.
	293	Drought mitigation credit	4% of cost of construction or repair of qualified water storage facility for farmers and ranchers.
	309	School repair and maintenance credit	10% of fair-market value of repair and maintenance of public schools by licensed contractors.
2001 (3rd SS)	10	Hotel construction and remodeling credit	Increases credit to 10% of costs and makes it nonrefundable until June 30, 2003.
	10	Residential construction and remodeling credit	4% of cost of new residential construction or remodeling.
2002	63	General income credit	$1 per qualified exemption.

Table B-2 (Cont.)
Outline of Tax Credit History by Year of Enactment

Year	Act	Type of Tax Credit	Description of the Tax Credit or Its Modification
2002	174	Residential construction and remodeling credit	Extends the credit to costs incurred before July 1, 2003.
2003	207	Renewable energy technologies credit (Energy device credit)	Energy technology installed and placed in service after 6/30/03. Credit ceilings set according to device and type of dwelling: solar-device-lesser of 35% of cost or $1,750 if placed in single family dwelling, $350 for multi-family dwelling, $250,000 for commercial properties; wind powered system-lesser of 20% of cost or $1,500 if installed in single family unit, $200 if placed in multi-family unit, or $250,000 if placed in a commercial property; photovoltaic energy systems-lesser of 35% of cost or $1,750 if installed in single family unit, $350 if installed in multi-family unit, $250,000 if installed in a commercial property.
	100	Ko Olina resort and marina attractions and educational facilities tax credit	Establishes a nonrefundable, carry-forward tax credit for qualified costs incurred for the development of attractions and educational facilities at the Ko Olina resorts and marina, or for the development of a training and educational facility at the Makaha Resort. It takes effect on May 29, 2003 and is available for tax year 2005.
2004	97	Renewable energy technologies credit (Energy device credit)	Clarifies that the tax credit is nonrefundable and that unused credit may be claimed in subsequent years until exhausted. Allows financial institutions to claim the credit for taxable years beginning after 12/30/02, provided that the system was installed after 6/30/03.
	140	Ethanol Facility tax credit	Clarifies that the tax credit is equal to 30% of the ethanol production facility's nameplate capacity if greater than 500,000 but less than 15 million gallons. Tax credit is limited to 100% of the total of all investments made by the taxpayer during the 8 year tax credit period. Requires that the facility be operating at a level of production of at least 75%. Facility must be in production before 1/1/12. Effective 7/01/04 and applied to taxable years beginning after 12/21/03.
	215	Technology infrastructure renovation tax credit, high technology tax credit and tax credit for research activities	Extends the technology infrastructure renovation tax credit, the high technology business investment tax credit, and the tax credit for research activities for another five years.
2005	196	Low-income housing tax credit	Provides incentives for developers to build affordable housing projects by increasing the low-income housing tax credit from 30 to 50 percent of the applicable percentage of the qualified basis of each building located in Hawaii. Effective 7/01/05.

Table B-2 (Cont.)
Outline of Tax Credit History by Year of Enactment

Year	Act	Type of Tax Credit	Description of the Tax Credit or Its Modification
2006	88	Motion Picture and Film Production Income Tax Credit	Increases the Motion Picture and Film Production income tax credit to 15% or 20% of qualified production costs, depending on locale of production. Effective for production occurring after June 30, 2006.
	110	Tax Credit for Flood Victims	Establishes the one-time Tax Credit for Flood Victims, for non-reimbursable costs stemming from the Manoa flooding of October 30, 2004 and the statewide flooding during the first quarter of 2006.
	240	Renewable energy	Increases the limits on the Renewable Energy Technologies credit for single-family residential systems to $2,250 (for solar thermal systems) or $5000 (for photovoltaic systems). Increases the limits for commercial systems to $500,000 per system. Higher limits effective for systems installed after June 30, 2006.
2007	128	Ethanol Facility tax credit	Extended the date for which a qualified ethanol production facility must be in production for purposes of qualifying for the Ethanol Production Facility tax credit by five years, to 1/1/2017.
	151	Renewable Energy	Requires that all renewable energy technology systems be in the State in order to qualify for the Renewable Energy Technologies tax credit. Applies to taxable years beginning after 12/31/2006.
	210	General income credit	The credit is refundable and declines as federal AGI increases. The maximum credit is $160 (for married filing jointly with federal AGI under $5,000).
	211	Food/Excise tax credit	Changes the name of the Low-Income Refundable tax credit to the Refundable Food/Excise tax credit. Amends the credit payout schedule and the adjusted gross incomes. The highest payout is $85 for federal AGI under $5,000 per exemption. Effective for taxable years beginning after 12/31/2007.
2008	58	General income credit	Provides a refundable credit of $1 per exemption (not including extra exemptions for age or disability).
	204	Renewable energy	Requires single family residences with building permits issued after 1/1/2010 to include a solar hot water heating system and disallows the Renewable energy credit for the required systems. For solar, wind or photovoltaic systems placed in service after 12/21/2008, residential home developers are ineligible to claim the credit.
	143	Enterprise Zone tax credit	Extends Enterprise Zone benefits to certain qualifying agricultural businesses, including processing of agricultural products. Effective 7/1/2008.
	233	Important Agricultural Lands tax credit	Provides a refundable tax credit for certain costs benefiting property designated as "Important Agricultural Land," effective 7/1/2008.
2009	84	General income credit	Provides a refundable credit of $1 per exemption, excluding multiple exemptions for age or disability.

Table B-2 (Cont.)
Outline of Tax Credit History by Year of Enactment

Year	Act	Type of Tax Credit	Description of the Tax Credit or Its Modification
2009	154	Renewable Energy	Combines solar and photovoltaic systems into the single category "solar." The caps per system are unchanged, however, as solar systems used to heat water are still subject to the lower cap of $2,250 per system. An election is granted to make the credit refundable for systmes placed in service on or after 7/1/2009.
	155	Renewable Energy	Amends the requirement that a building permit not be issued for new single family dwellings that to not include a solar water heating system on or after 1/1/2010.
	174	Enterprise Zone tax credit	Amends the definitions of eligible business. Allows agricultural producers, manufacturers and wholesalers to renew eligibility in the program for an additional three years. Effective 7/1/2009.
	178	High technology credit and the technology infrastructure renovation tax credit	For investment made, or renovations costs incurred, on or after May 1, 2009, provides that beginning after January 1, 2009, and ending before January 1, 2011, no claim for qualified high technology business investment tax credits or technology infrastructure renovation tax credits under income tax, taxation of banks and other financial corporations, and insurance shall exceed 80 percent of a taxpayer's tax liability, and no credit carryover is allowed.
2010	21	All tax credits	Requires refundable credits to be claimed first, followed by nonrefundable credits after 1/1/2010.
2011	158	Low income housing tax credit	Grants low-income housing tax credit loans in lieu of low-income housing tax credits and provides a tax credit for certain awards under the American Recovery and Reinvestment Act of 2009. Applies to qualified buildings placed in service after 12/31/2011.
2013	89	Motion Picture and Film Production Income Tax Credit	Extends the Motion Picture and Film Production income tax credit to January 1, 2019, increases the credit ceiling amount from $8 million to $15 million per qualified production, and increases the credit amount from 15% to 20% of qualified production costs in a county with a population of over 700 thousand and increases the credit amount from 20% to 25% in a county with a populations of 700 thousand or less. Effective for production occurring after June 30, 2013.
	270	Tax Credit for Research Activities	Reenacts the State tax credit for research activities. The State credit is equal to 20% of qualified research expenses incurred in Hawaii. The new credit is effective for tax years beginning after December 31, 2012. The Act sunsets December 31, 2019.
2014	101	Important Agricultural Lands Tax Credit	Clarifies that the tax credit amount is 25% of qualified agricultural costs or $625,000 in the first year, the lesser of 15% of qualified costs or $250,000 in the second year, and the lesser of 10% of qualified costs or $125,000 in the third year.
	200	Capital Infrastructure Tax Credit	Establishes a capital infrastructure tax credit for tenants who are relocated due to the Kapalama container terminal modernization project. The tax credit is the lesser of 50% of the capital infrastructure costs paid or incurred by the qualified infrastructure tenant during the taxable year or $1,250,000. The tax credit is available for taxable years beginning after December 31, 2013, but not for taxable years beginning after December 31, 2019.

Table B-2 (Cont.)
Outline of Tax Credit History by Year of Enactment

Year	Act	Type of Tax Credit	Description of the Tax Credit or Its Modification
2015	120	Cesspool Upgrade, Conversion or Connection Tax Credit	Creates a temporary, nonrefundable income tax credit for the costs incurred in converting a qualified cesspool to a septic system or to an aerobic treatment unit system, or for the cost of connecting a cesspool to a sewer system. The Department of Health must certify all credit claims, and the credit amount is 100% of qualified costs up to a maximum of $10,000 per taxpayer. The amount of tax credits certified in any given tax year cannot exceed $5 million. The Tax credit is available for taxable years ending after December 31, 2015, but not for taxable years ending after December 31, 2020.
	223	Refundable Food/Excise Tax Credit	Amends the Refundable Food/Excise Tax Credit in several ways. First, removes the requirement that the individual claiming the credit must have resided in the State for nine months during the taxable year and replaces it with a requirement that the individual must have been physically present in the state for nine months during the taxable year. Second, adjusts the maximum adjusted gross income an unmarried individual taxpayer may have in order to be eligible to claim the credit. Third, adjusts the amount of credit per qualified exemption available to eligible taxpayers. Applies to taxable year beginning after December 31, 2015, but is repealed December 31, 2017 and the law as it read prior to this Act's amendments will be reenacted.
2016	129	Low-Income Housing Tax Credit	The tax credit is amended by shortening the time over which the credit is taken from ten years to five years for qualified low income buildings awarded credits for taxable years 2017 to 2021.
	182	Cesspool Upgrade, Conversion or Connection Tax Credit	Amends the Income Tax Credit for Converting Cesspools by correcting an oversight made when section 235-16.5, HRS, was enacted last session, and permits large capacity cesspools to qualify for the credit, with each tax map key parcel associated with the large capacity cesspool eligible for the credit of up to $10,000.
	202	Ethanol Facility Tax Credit	Repeals the Ethanol Facility Tax Credit is for taxable years beginning after December 31, 2016.
	202	Renewable Fuels Production Tax Credit	Act 202 also creates a new nonrefundable tax credit for the production of renewable fuels for taxable years 2017 to 2021. The credit is available for five consecutive years beginning with the first taxable year in which the taxpayer claiming the credit begins producing at least 15 billion British thermal units of renewable fuel per year.
	235	Credit for Child and Dependent Care Expenses	Amends the credit for taxable years beginning after December 31, 2015 by increasing the credit amount that certain taxpayers may claim for expenses for household and dependent care services necessary for gainful employment. It modifies the phase-down of percentage of expenses on which the credit can be claimed at various AGI thresholds.
	258	Organic Foods Production Tax Credit	Creates a nonrefundable tax credit for expenses incurred to produce organic agricultural products and to obtain organic certification for taxable years 2017 to 2021. The Department of Agriculture is responsible for certifying all credit claims.

Table B-2 (Cont.)
Outline of Tax Credit History by Year of Enactment

Year	Act	Type of Tax Credit	Description of the Tax Credit or Its Modification
2017	107	Refundable Food/Excise Tax Credit	Repeals the sunset date for the amendments made to the tax credit by Act 223, SLH 2015, rendering them permanent.
	107	Earned Income Tax Credit	Establishes a state nonrefundable earned income tax credit (EITC) equal to 20 percent of the federal EITC allowed and properly claimed under section 32, IRC, and reported on the taxpayer's federal income tax return. The state EITC applies to taxable years beginning after December 31, 2017, but shall not apply to taxable years beginning after December 31, 2022.
	125	Cesspool Upgrade, Conversion or Connection Tax Credit	Expands the class of cesspools which are eligible to claim the credit to include: (1) A cesspool within 500 feet (increased from the current 200 feet) of a shoreline, perennial stream, or wetland; (2) A cesspool shown to impact drinking water supplies or recreational waters; or (3) A cesspool certified by a county or private sewer company to be appropriate for connection to its existing sewer system.
	142	Renewable Fuels Production Tax Credit	Changes the certification process for the tax credit. Taxpayers claiming a credit must file a third-party-certified statement with the Department of Business, Economic Development, and Tourism (DBEDT) within 30 days after the close of the calendar year with information on the type and amount of qualified fuel, type of feedstock used, amount of the credit, number and residency of employees of the facility, and number and location of all renewable fuel production facilities. DBEDT will thereafter issue a certificate to the taxpayer with the amount of renewable fuels produced and sold, amount of credit the taxpayer is entitled to claim for the previous calendar year, and the cumulative amount of the credit during the period.
	143	Motion Picture and Film Production Income Tax Credit	For taxable years beginning after December 31, 2018, several amendments are made to the tax credit including provisions to (1) extend the repeal date from January 1, 2019, to January 1, 2026, (2) limit the total credit to $35 million per year, and (3) amend the qualifications a production must meet in order to claim the credit.
	213	Capital Infrastructure Tax Credit	Makes several amendments to the tax credit including provisions to (1) double the amount of credit per taxable year from $1.25 million to $2.5 million, and (2) include structures, machinery, equipment, and capital assets in the definition of “capital infrastructure costs”.
2018	43	Healthcare Preceptor Tax Credit	Establishes an income tax credit for advanced practice registered nurses, pharmacists, and physicians who supervise volunteer-based supervised clinical training rotations. The credit is equal to $1,000 per rotation supervised by the taxpayer, up to a maximum of $5,000 per taxpayer per year. Additionally, the credit is subject to an aggregate cap of $1,500,000 per year. It also establishes the Preceptor Credit Assurance Committee. The Committee certifies all claims for the credit and issues taxpayers a certificate verifying the number of rotations supervised. The Department is authorized to require taxpayers to furnish this certificate to claim the credit. The Committee is also tasked with ceasing certifications if total claims for certification reach the aggregate cap during any year. Act 43 applies to taxable years beginning after December 31, 2018.

Table B-2 (Cont.)
Outline of Tax Credit History by Year of Enactment

Year	Act	Type of Tax Credit	Description of the Tax Credit or Its Modification
2018	87	Important Agricultural Land Qualified Agricultural Cost Tax Credit	Extends the Important Agricultural Land Qualified Agricultural Cost Tax Credit through taxable year 2021.
	133	Cesspool Upgrade, Conversion or Connection Tax Credit	Eliminates the provision preventing certification of more than two residential large capacity cesspools as qualified cesspools. The Act applies to taxable years beginning after December 31, 2017.
	143	Renewable Fuels Production Tax Credit	Amends the renewable fuels production tax credit (RFPTC), as follows: • Lowers the production threshold for eligibility for the credit from 15 billion British thermal units of renewable fuels per calendar year to 2.5 billion British thermal units per calendar year; and • Adds logs, wood chips, wood pellets, wood bark, and other renewable organic material to the definition of "Renewable feedstocks" which qualify for the credit. It applies to taxable years beginning after December 31, 2017.
2019	261	Tax Credit for Research Activities	Amends the Tax Credit for Research Activities (TCRA) such that references to the base amount contained in section 41 of the IRC do not apply, and credit may be taken based upon all qualified research expenses incurred in Hawaii without regard to the amount of expenses for previous years. The Act provides that the Department of Business, Economic Development, and Tourism must certify all claims for the tax credit and establishes an annual aggregate cap of $5,000,000. Taxpayers must still claim the federal research credit under IRC section 41 to claim the TCRA. Act 261 is effective for taxable years beginning after December 31, 2019 and extends the TCRA through December 31, 2024.
	267	Historic Preservation Income Tax Credit	Establishes a new, nonrefundable income tax credit for taxpayers who rehabilitate historic structures pursuant to a rehabilitation plan certified by the Department of Land and Natural Resources' State Historic Preservation Division (SHPD). The credit is equal to 30% of the qualified expenses incurred as part of the certified rehabilitation plan. In addition, the credit is subject to an aggregate cap of $1,000,000 per year and is subject to recapture if the projected expenditures do not materialize, or the rehabilitation does not proceed in a timely manner or in accordance with the approved plan. The Act is effective July 1, 2019 and applies to qualified rehabilitation expenditures incurred in taxable years beginning after December 31, 2019 and is repealed on December 31, 2024.
	260	Ship Repair Industry Tax Credit	Establishes a new Ship Repair Industry Tax Credit which is intended to offset costs incurred in constructing and placing into service a purpose-built floating drydock at Pearl Harbor for use by the United States Navy, provided that no credit is allowed after December 31, 2026. The Act is effective on January 1, 2020 and applies to taxable years beginning after December 31, 2021.

Table B-2 (Cont.)
Outline of Tax Credit History by Year of Enactment

Year	Act	Type of Tax Credit	Description of the Tax Credit or Its Modification
2019	260	Capital Infrastructure Tax Credit	Repeals the Capital Infrastructure Tax Credit under section 235-17.5, HRS.
	275	Motion Picture, Digital Media, and Film Production Tax Credit	Amends motion picture, digital media, and film production income tax credit (film credit) by increasing the film credit annual aggregate cap from $35 million to $50 million. The Act is effective July 10, 2019 and applies to taxable years beginning after December 31, 2018.
2020	61	Renewable Energy Technologies Income Tax Credit	Disallows the Renewable Energy Technologies Income Tax Credit for commercial projects of 5 megawatts of total output capacity or greater. The Act also provides multiple exceptions, including for systems subject to a power purchase agreement which receives Public Utilities Commission (PUC) approval or was pending approval before December 31, 2019, and for certain systems integrated with a pumped hydroelectric energy storage system where the requisite approval filings are submitted to the PUC by December 31, 2021. The Act is effective December 31, 2019.