



EXECUTIVE CHAMBERS  
HONOLULU

NEIL ABERCROMBIE  
GOVERNOR

June 19, 2014

**GOV. MSG. NO. 1202**

The Honorable Donna Mercado Kim,  
President  
and Members of the Senate  
Twenty-Seventh State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki,  
Speaker and Members of the  
House of Representatives  
Twenty-Seventh State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on June 19, 2014, the following bill was signed into law:

HB2464 HD1 SD1 CD1

RELATING TO TAX CREDITS  
**ACT 101 (14)**

*Aloha*  
Sincerely,  
*Neil Abercrombie*

NEIL ABERCROMBIE  
Governor, State of Hawaii

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# A BILL FOR AN ACT

RELATING TO TAX CREDITS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. Section 235-110.93, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) There shall be allowed to each taxpayer an important  
4 agricultural land qualified agricultural cost tax credit that  
5 may be claimed in taxable years beginning after the taxable year  
6 during which the tax credit under section 235-110.46 is  
7 repealed, exhausted, or expired. The credit shall be deductible  
8 from the taxpayer's net income tax liability, if any, imposed by  
9 this chapter for the taxable year in which the credit is  
10 properly claimed. The tax credit amount shall be determined as  
11 follows:

- 12 (1) In the first year in which the credit is claimed,  
13 [~~twenty five per cent of~~] the lesser of the following:  
14 (A) [The] Twenty-five per cent of the qualified  
15 agricultural costs incurred by the taxpayer after  
16 July 1, 2008; or  
17 (B) \$625,000;



- 1           (2) In the second year in which the credit is claimed,  
2           ~~[fifteen per cent of]~~ the lesser of the following:  
3           (A) ~~[The]~~ Fifteen per cent of the qualified  
4           agricultural costs incurred by the taxpayer after  
5           July 1, 2008; or  
6           (B) \$250,000; and
- 7           (3) In the third year in which the credit is claimed, ~~[ten~~  
8           ~~per cent of]~~ the lesser of the following:  
9           (A) ~~[The]~~ Ten per cent of the qualified agricultural  
10           costs incurred by the taxpayer after July 1,  
11           2008; or  
12           (B) \$125,000.

13 The taxpayer may incur qualified agricultural costs during a  
14 taxable year in anticipation of claiming the credit in future  
15 taxable years during which the credit is available. The  
16 taxpayer may claim the credit in any taxable year after the  
17 taxable year during which the taxpayer incurred the qualified  
18 agricultural costs upon which the credit is claimed. The  
19 taxpayer also may claim the credit in consecutive or  
20 inconsecutive taxable years until exhausted."

21           SECTION 2. Statutory material to be repealed is bracketed  
22 and stricken. New statutory material is underscored.



1 SECTION 3. This Act, upon its approval, shall apply to  
2 taxable years beginning after July 1, 2008.

APPROVED this 19 day of JUN, 2014

*Neil Abernethy*

GOVERNOR OF THE STATE OF HAWAII

