



HB3/SB56 (PROGRESSIVE REVENUE RAISER OMNIBUS)

INTRODUCERS: REP. KAPELA, SEN. CHANG

- Increases the personal income tax rate and implements a rate recapture mechanism that phases out lower tax brackets for high earners for taxable years beginning after 12/31/2020.
- Increases the tax on capital gains.
- Increases the corporate income tax and establishes a single corporate income tax rate.
- From 7/1/2021 through 6/30/23, temporarily repeals certain general excise tax exemptions.
- Increases conveyance taxes for the sale of properties valued at \$1,000,000 or greater.

POSSIBLE REVENUE: \$385.8-\$763.4 MILLION

HB445/SB1300 (INCREASES THE ESTATE TAX)

INTRODUCERS: REP. PERRUSO, SEN. ACASIO

- Lowers the exclusion amount of Hawai'i's estate tax to \$1,000,000. Applicable to decedents dying or taxable transfers occurring after 12/31/2020.

POSSIBLE REVENUE: \$6.6-\$18.3 MILLION

HB441/SB1302 (CLOSES OFFSHORE LOOPHOLE)

INTRODUCERS: REP. PERRUSO, SEN. ACASIO

- Requires corporations to include the income of all foreign subsidiaries to the state.
- Applies the state's apportionment formula to determine the share of reported profits subject to the appropriate tax. Effective 1/1/2022.

POSSIBLE REVENUE: \$38 MILLION

HB330/SB541 (SUGAR-SWEETENED BEVERAGE TAX)

INTRODUCERS: REP. MARTEN, SEN. RHOADS

- Imposes a fee for selling sugar-sweetened beverages at the distributor level to be collected by the Department of Health.
- Establishes a special fund into which revenues are deposited.
- Establishes a trust fund in the private sector to receive revenues from the special fund.
- Establishes a healthy 'ohana committee to advise the department on the administration of the trust fund. Makes appropriations.

POSSIBLE REVENUE: \$65.8 MILLION



SB63 (TOBACCO TAX)

INTRODUCER: SEN. BAKER

- Makes unlawful the sale of flavored products for electronic smoking devices, mislabeling of e-liquid products containing nicotine, and sale of tobacco products other than through retail sales via in-person exchange. Establishes penalties.
- Includes e-liquid and electronic smoking devices in the definition of "tobacco products" for purposes of the cigarette tax and tobacco tax law.
- Increases the license fee for wholesalers and dealers of tobacco products and retail tobacco permit fee.
- Requires retailers to pay an additional excise tax on the retail price of electronic smoking devices on and after 7/1/2021.
- Directs a certain percentage of moneys received from the cigarette tax and tobacco tax to the Hawai'i tobacco prevention and control trust fund to establish and fund a comprehensive youth tobacco cessation program.
- Requires a person under 21 years of age who unlawfully purchases or possesses tobacco products, including electronic smoking devices, to complete a tobacco education or use cessation program or perform community service for a first offense.
- Repeals the electronic smoking device retailer registration unit.
- Repeals provisions relating to delivery of sales under the cigarette tax and tobacco tax law.

POSSIBLE REVENUE: \$21.1-\$24.1 MILLION

HB283/SB785 (TAX ON REAL ESTATE INVESTMENT TRUSTS)

INTRODUCER: REP. TAM (HB283)

- Disallows dividends paid deduction for real estate investment trusts.
- Specifies that amounts collected from the disallowance be evenly divided and deposited into the dwelling unit revolving fund and rental housing revolving fund.
- Applies to taxable years beginning after 12/31/2021. Sunsets 12/31/2024.

INTRODUCER: SEN. MORIWAKI (SB785)

- Disallows dividends paid deduction for real estate investment trusts, except for real estate investment trusts that provide affordable housing in the state.
- Applies to taxable years beginning after 12/31/2021. Sunsets 12/31/2024.

POSSIBLE REVENUE: \$30-60 MILLION