



## Hawaii

### *Tax Benefits and Incentives for Convenience Services Operators*



This state-by-state guide highlights a range of tax credits and incentive programs specifically relevant to the convenience services industry, offering operators clear application instructions and links to find further information. While this report emphasizes programs tailored to the convenience services industry, you know your business and its unique needs.

## Opportunities for Convenience Services Operators

### Capital Goods Excise Tax Credit

#### HAWAII DEPARTMENT OF TAXATION

Each taxpayer subject to the Hawaii net income tax may claim a capital goods excise tax credit for the purchase or importation of eligible depreciable tangible personal property which is used by the taxpayer in a trade or business in Hawaii.

#### Eligibility Requirements

Each taxpayer subject to Hawaii's net income tax may claim a capital goods excise tax credit for the purchase or importation of eligible depreciable tangible personal property which is used by the taxpayer in a trade or business in Hawaii.

The property must be depreciable property with an estimated useful life or recovery period of three years or more. The property must be placed in service within Hawaii and the purchase or importation must be subject to the imposition and payment of tax at the rate of 4% under General Excise or Use Tax Laws. Individual members of partnerships, beneficiaries of estates and trusts, or shareholders of S corporations are also required to be furnished information relating to the credit on Schedule K-1 and recapture information on Part II of Form N-312. Refer also to Tax Information Release (TIR) Nos. 88-6, 88-8, 89-4, and 2001-4, and the Hawaii Administrative Rules section 18-235-110.7, for more information relating to claiming and recapturing the credit.

#### Application Information

Use Form N-312 to figure and claim the capital goods excise tax credit and to determine the increase in tax as a result of the recapture of the credit.

The deadline to claim the credit, including amended claims, is 12 months after the close of your taxable year. You cannot claim or amend the credit after the deadline.

[Application Link](#)

## Other Credits, Incentives, and Government Programs

## Alternative Energy Loan Program

### HAWAII DEPARTMENT OF AGRICULTURE

The Alternative Energy Loan Program was established to help full-time farmers, ranchers, and aquaculturalists produce renewable energy through sources such as photovoltaic, hydroelectric, wind, methane, biodiesel, and ethanol.

## Aquaculture Loans

### HAWAII DEPARTMENT OF AGRICULTURE

Aquaculture loans are for applicants who intend to devote full-time to aquaculture.

## Community-Based Economic Development Loan Program

### DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM

The Community-Based Economic Development (CBED) offers loans to eligible small businesses that support economic development in their communities.

## Enterprise Zone Partnership Program (EZ)

### HAWAII DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM

The Enterprise Zones (EZ) partnership is a joint state-county effort intended for eligible businesses to reduce state income and general excise taxes along with receiving county benefits for up to seven years by satisfying the EZ hiring and gross receipts requirements.

## Food Manufacturing Loan

### HAWAII DEPARTMENT OF AGRICULTURE

The Food Manufacturing Loan provides credit at reasonable rates to food manufacturers.

## Foreign Trade Zone No. 9 (FTZ9)

### HAWAII DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM

Companies operating in the foreign trade zone can defer or avoid customs duty, take advantage of shifts in tariff schedule, minimize import quota risks, obtain Made in Hawaii and Made in USA" labeling.

## Fuel Tax Credit for Commercial Fishers

### HAWAII DEPARTMENT OF TAXATION

The principal operator of a commercial fishing vessel may claim a refundable tax credit for certain fuel taxes paid during the taxable year.

## Green Infrastructure Bonds (GEMS)

### DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM

Hawaii's Green Infrastructure Bonds are for securing low-cost financing for clean energy installations, including both renewable energy and energy efficiency measures. GEMS provides flexible, alternative financing options that make green energy solutions possible for a broader cross-section of ratepayers in the counties of Oahu, Maui & Hawaii.

## Hawaii Small Business Innovation Research and Small Business Technology Transfer Grant Program

### DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM

The Hawaii SBIR and STTR provides matching funds to Hawaii-based companies to enhance their project development, compete for the more lucrative awards to conduct prototype development, and ultimately reach successful commercialization.

## Hawaii State Trade Expansion Program (HISTEP)

### HAWAII DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

Funded in part through a Grant with the U.S. Small Business Administration (SBA), the Hawaii State Trade Expansion Program, known as HiSTEP, is a comprehensive program designed to assist Hawaii small businesses with their export development. The program is administered by DBEDT and partner organizations in Hawaii.

## HTDC Manufacturing Assistance Program Grant

### HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Manufacturing Assistance Program Grant (MAP) offers Hawaii-based manufacturers a reimbursement on qualified expenses.

## Hua Kanu Business Loan Program

### OFFICE OF HAWAIIAN AFFAIRS

The Hua Kanu Business Loan Program is available to Native Hawaiians who own established business.

## Malama Business Loan Program

### OFFICE OF HAWAIIAN AFFAIRS

The Malama Loan is an OHA loan can be used to start or expand a business or provide working capital.

## Motion Picture, Digital Media, And Film Production Income Tax Credit (Film Tax Credit)

### DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM

The motion picture, digital media, and film production income tax credit is a refundable tax credit based on a

production company's Hawaii expenditures while producing a qualified film, television, commercial, or digital media project.

## **New Farmer Loan**

### **HAWAII DEPARTMENT OF AGRICULTURE**

New Farmer Loans are for applicants who intend to farm full-time, meaning that the applicant devotes most of their time to farming or derives most of their income from farming operations.

## **Part-Time Farmer Loan**

### **HAWAII DEPARTMENT OF AGRICULTURE**

Loans are provided to part-time farmers who were unable to obtain sufficient funds at reasonable rates from private lenders.

## **Qualified Farmer Loan**

### **HAWAII DEPARTMENT OF AGRICULTURE**

Loans to sole proprietors, partnerships, corporations, and cooperatives that operate farms for several years.

## **Renewable Energy Technologies Income Tax Credit (RETITC)**

### **HAWAII DEPARTMENT OF TAXATION**

State income tax credits are available for businesses that invest in renewable energy systems.

## **Research Tax Credit**

### **DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM**

The Tax Credit for Research Activities (R&D Tax Credit) is a refundable income tax credit for a qualified high technology business equal to the credit for research activities.

## **Royalties Tax Exemption**

### **HAWAII DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM**

Amounts received by an individual or qualified high technology business" as royalties.