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# A BILL FOR AN ACT

RELATING TO CAREGIVERS.

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

1 SECTION 1. Chapter 235, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§235- Caregiver tax credit. (a) There shall be  
5 allowed to each eligible taxpayer who is not claimed and is not  
6 otherwise eligible to be claimed as a dependent by another  
7 taxpayer for federal or Hawaii state individual income tax  
8 purposes, and who files an individual net income tax return for  
9 a taxable year, a \$1,000 caregiver tax credit.

10 (b) As used in this section:

11 "Care recipient" means a person who receives care from a  
12 caregiver.

13 "Caregiver" means a person who provides care to a care  
14 recipient.

15 "Eligible taxpayer" means a caregiver who cares for a care  
16 recipient who is:

17 (1) Sixty-years-of-age or older and is a citizen or  
18 resident alien of the United States;



1       (2) An immediate relative to the caregiver or an immediate  
2       in-law of the caregiver and has lived in the  
3       caregiver's home for at least six months of the  
4       taxable year and has received more than fifty per cent  
5       of the care recipient's financial support during the  
6       taxable year from the caregiver; and

7       (3) Certified by a licensed physician or a registered  
8       nurse as requiring one of the following:

9       (A) Substantial supervision to protect the care  
10       recipient from threat to health or safety due to  
11       cognitive impairment; or

12       (B) Substantial assistance to perform at least two of  
13       the following daily living activities:

14       (i) Bathing;

15       (ii) Eating;

16       (iii) Using the toilet;

17       (iv) Dressing; or

18       (v) Transferring (i.e., bed to wheelchair).

19       (c) An eligible taxpayer may claim the tax credit for  
20       every taxable year that a care recipient receives care. Only  
21       one caregiver per household may claim a tax credit for any care  
22       recipient cared for in a taxable year. An eligible taxpayer may



1 not claim multiple tax credits under this section in a taxable  
2 year, regardless of the number of care recipients receiving  
3 care.

4 (d) If the tax credit under this section exceeds the  
5 taxpayer's net income tax liability under this chapter, any  
6 excess of the tax credit may be used as a credit against the  
7 taxpayer's income tax liability in subsequent taxable years  
8 until exhausted; provided that no payment on account of the tax  
9 credit allowed by this section shall be made for amounts less  
10 than \$1.

11 (e) Every claim, including amended claims, for the tax  
12 credit under this section shall be filed on or before the end of  
13 the twelfth month following the close of the taxable year for  
14 which the tax credit may be claimed. Failure to meet the filing  
15 requirements of this subsection shall constitute a waiver of the  
16 right to claim the tax credit.

17 (f) The director of taxation shall prepare such forms as  
18 may be necessary to claim a tax credit under this section, may  
19 require proof of the claim for the tax credit, and may adopt  
20 rules pursuant to chapter 91 to effectuate the purposes of this  
21 section.



1        (g) The department of taxation shall report to the  
2 legislature annually, no later than twenty days prior to the  
3 convening of every regular session, on the number of taxpayers  
4 claiming the tax credit and the total cost of the tax credit to  
5 the State during the past year."

6        SECTION 2. New statutory material is underscored.

7        SECTION 3. This Act, upon its approval, shall apply to  
8 taxable years beginning after December 31, 2005.



**Report Title:**

Caregivers; Tax Credit

**Description:**

Provides a \$1,000 tax credit to taxpayer caregivers that care for qualified care recipients. (HB2097 HD1)

