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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) An eligible taxpayer may claim the tax credit for  
11 every taxable year that the eligible taxpayer provides care to a  
12 care recipient. Only one caregiver per household may claim a  
13 tax credit for any care recipient cared for in a taxable year.  
14 An eligible taxpayer may not claim multiple tax credits under  
15 this section in a taxable year, regardless of the number of care  
16 recipients receiving care from the eligible taxpayer.

17           (c) If the tax credit under this section exceeds the  
18 taxpayer's net income tax liability under this chapter, any



1 excess of the tax credit may be used as a credit against the  
2 taxpayer's income tax liability in subsequent taxable years  
3 until exhausted; provided that no payment on account of the tax  
4 credit allowed by this section shall be made for amounts less  
5 than \$1.

6 (d) Every claim, including amended claims, for the tax  
7 credit under this section shall be filed on or before the end of  
8 the twelfth month following the close of the taxable year for  
9 which the tax credit may be claimed. Failure to meet the filing  
10 requirements of this subsection shall constitute a waiver of the  
11 right to claim the tax credit.

12 (e) The director of taxation shall prepare such forms as  
13 may be necessary to claim a tax credit under this section, may  
14 require proof of the claim for the tax credit, and may adopt  
15 rules pursuant to chapter 91 to effectuate the purposes of this  
16 section.

17 (f) The department shall report to the legislature  
18 annually, no later than twenty days prior to the convening of  
19 every regular session, on the number of taxpayers claiming the  
20 tax credit and the total cost of the tax credit to the State  
21 during the past year.

22 (g) As used in this section:



1       "Care recipient" means a person who receives care from a  
2 caregiver.

3       "Caregiver" means a person who provides care to a care  
4 recipient.

5       "Eligible taxpayer" means a caregiver who cares for a care  
6 recipient who is:

7       (1) Sixty years of age or older and is a citizen or  
8 resident alien of the United States;

9       (2) An immediate relative to the caregiver or an immediate  
10 in-law of the caregiver and has lived in the  
11 caregiver's home for at least six months of the  
12 taxable year and has received more than fifty per cent  
13 of the care recipient's financial support during the  
14 taxable year from the caregiver; and

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

17       (A) Substantial supervision to protect the care  
18 recipient from threat to health or safety due to  
19 cognitive impairment; or

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

22       (i) Bathing;



- 1                    (ii) Eating;
- 2                    (iii) Using the toilet;
- 3                    (iv) Dressing; or
- 4                    (v) Transferring (e.g., bed to wheelchair)."

5 SECTION 2. New statutory material is underscored.

6            SECTION 3. This Act, upon its approval, shall apply to  
7 taxable years beginning after December 31, 2005. This Act shall  
8 take effect on July 1, 2020.

HB 2097

HD 2

**Report Title:**

Caregivers; Tax Credit

**Description:**

Provides a \$1,000 tax credit to taxpayer caregivers that care for qualified care recipients. (HB2097 HD2)

