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# A BILL FOR AN ACT

RELATING TO RELIEF OF MANOA FLOOD VICTIMS.

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

1           SECTION 1. (a) There shall be allowed to each taxpayer  
2 who is not claimed or is not otherwise eligible to be claimed as  
3 a dependent by another taxpayer for federal or Hawaii state  
4 individual income tax purposes, who files a net income tax  
5 return for a taxable year, a one-time refundable Manoa flood  
6 victim tax credit that shall be deductible from the taxpayer's  
7 net income tax liability imposed by chapter 235.

8           (b) The amount of the refundable tax credit shall be equal  
9 to ten per cent of the losses incurred by the taxpayer for  
10 repairs, insurance, rental, or other expenses or costs related  
11 to damage caused to the taxpayer's real or personal property by  
12 the heavy rain and flood in late October 2004, in Manoa, Oahu,  
13 that are not reimbursable by insurance proceeds or disaster  
14 relief payments from government agencies or non-profit  
15 organizations; provided that the refundable tax credit shall not  
16 exceed \$10,000 per taxpayer; and provided further that no refund  
17 or payment on account of the tax credit allowed by this section  
18 shall be made for amounts less than \$1.



1 (c) Only taxpayers with an adjusted gross income of less  
2 than \$75,000 may claim a tax credit under this section.

3 (d) To qualify for the income tax credit, the taxpayer  
4 shall be in compliance with all applicable federal, state, and  
5 county statutes, rules, and regulations.

6 (e) In the event the allowed tax credit exceeds the  
7 amount of the income tax payment due from the taxpayer, the  
8 excess of credit over payment due shall be refunded to the  
9 taxpayer; provided that an allowed tax credit properly claimed  
10 by an individual who has no income tax liability shall be paid  
11 to the individual; and provided further that no refund or  
12 payment on account of the tax credit allowed by this section  
13 shall be made for an amount less than \$1.

14 (f) In the case of a partnership, S corporation, estate,  
15 trust, or association of apartment owners, the tax credit  
16 allowable is for expenses incurred and paid for by the entity  
17 for the taxable year. The cost upon which the tax credit is  
18 computed shall be determined at the entity level. Distribution  
19 and share of credit shall be determined pursuant to section  
20 235-110.7(a).

21 (g) If a deduction is taken under section 179 (with  
22 respect to election to expense certain depreciable business



1 assets) of the Internal Revenue Code, no tax credit shall be  
2 allowed for that portion of the expenses for which the deduction  
3 is taken.

4 The basis of eligible property for depreciation or  
5 accelerated cost recovery system purposes for state income taxes  
6 shall be reduced by the amount of credit allowable and claimed.  
7 In the alternative, the taxpayer shall treat the amount of the  
8 credit allowable and claimed as a taxable income item for the  
9 taxable year in which it is properly recognized under the method  
10 of accounting used to compute taxable income.

11 (h) No taxpayer that claims the tax credit under this  
12 section shall claim any other credit for the same losses or  
13 other expenses or costs.

14 (i) Every claim, including amended claims, for the tax  
15 credit under this section shall be filed on or before  
16 December 31, 2007. Failure to meet the filing requirements of  
17 this subsection shall constitute a waiver of the right to claim  
18 the tax credit.

19 (j) The director of taxation shall prepare any forms as  
20 may be necessary to claim a tax credit under this section, may  
21 require proof of the claim for the tax credit, and may adopt



1 rules pursuant to chapter 91 to effectuate the purposes of this  
2 section.

3 SECTION 2. This Act shall take effect on July 1, 2020, and  
4 shall apply to taxable years beginning after December 31, 2003,  
5 and ending before January 1, 2007.



SB No. 3037 SD2  
HD2

**Report Title:**

Tax Credit; Manoa Flood

**Description:**

Provides a one-time refundable tax credit to victims of the Manoa flood of October 2004. Effective date July 1, 2020.  
(SB3037 HD2)

SB3037 HD2 HMS 2006-3241

