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# A BILL FOR AN ACT

RELATING TO AGING IN PLACE TAX CREDIT.

**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-    Aging in place tax credit; handicapped

5 accessibility. (a) There shall be allowed to each resident  
6 individual taxpayer who is not claimed or is not otherwise  
7 eligible to be claimed as a dependent by another taxpayer for  
8 federal or Hawaii state individual income tax purposes, who  
9 files an individual net income tax return for a taxable year, an  
10 aging in place tax credit, which shall be deductible from the  
11 taxpayer's net income tax liability imposed by this chapter for  
12 the taxable year in which the tax credit is properly claimed;  
13 provided that:

14           (1) A resident individual who has no income or no income  
15 taxable under this chapter and who is not claimed or  
16 is not otherwise eligible to be claimed as a dependent  
17 by a taxpayer for federal or Hawaii state individual  
18 income tax purposes may claim this tax credit;



1       (2) A husband and wife filing separate returns for a  
2       taxable year for which a joint return could have been  
3       filed by them shall claim only the tax credit to which  
4       they would have been entitled had a joint return been  
5       filed; and

6       (3) No tax credit may be claimed for amounts less than \$1.

7       (b) The tax credit shall apply to fifty per cent of the  
8       qualified costs incurred by a taxpayer to renovate a residence  
9       to provide handicapped accessibility or aging in place up to a  
10      maximum of \$ \_\_\_\_\_ .

11      (c) To qualify for the income tax credit, the taxpayer  
12      shall be in compliance with all applicable federal, state, and  
13      county statutes, rules, and regulations.

14      (d) If the tax credit under this section exceeds the  
15      taxpayer's net income tax liability, any excess of the tax  
16      credit may be used as a credit against the taxpayer's income tax  
17      liability in subsequent taxable years until exhausted.

18      (e) As used in this section:

19      "Aging in place" means renovations made to a residence to  
20      accommodate an elderly person.

21      "Handicapped accessibility" means renovations made to a  
22      residence to accommodate a person with disabilities.



1       "Qualified costs" means direct costs incurred by a taxpayer  
2 to renovate a residence to provide handicapped accessibility or  
3 aging in place.

4       "Taxpayer" means a person who claims the aging in place tax  
5 credit under this section.

6       (f) 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       (g) 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, including eligibility requirements for the taxpayer,  
17 the handicapped person, and the aging person referred to under  
18 this section.

19       (h) The department of taxation shall report to the  
20 legislature annually, no later than twenty days prior to the  
21 convèning of every regular session, on the number of taxpayers



1 claiming the tax credit and the total cost of the tax credit to  
2 the State during the past year."

3 SECTION 2. New statutory material is underscored.

4 SECTION 3. This Act shall take effect upon its approval  
5 and shall apply to taxable years beginning after December 31,  
6 2005.

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INTRODUCED BY: Carol Furumaga  
Shianne Chuh Oakland  
Rosely H Baker



**Report Title:**

Tax Credit; Handicapped; Aging

**Description:**

Provides a tax credit to taxpayers that renovate their residence to accommodate a handicapped or aging person.

