
A BILL FOR AN ACT

RELATING TO LONG-TERM CARE REFUNDABLE CAREGIVER 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- Caregiver tax credit. (a) There shall be
5 allowed to each eligible taxpayer who is not claimed or 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; provided that an
10 eligible taxpayer who has no income or no income taxable under
11 this chapter may claim the tax credit.

12 (b) As used in this section:

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

15 "Care recipient" means a person who receives care from a
16 caregiver.

17 "Eligible care recipient" means an individual who is sixty
18 years of age or older and a citizen or resident alien of the



- 1 United States and an immediate relative or in-law of the
2 caregiver who:
- 3 (1) Has lived in the caregiver's home for more than six
4 months of the taxable year for which the credit is
5 claimed; or
 - 6 (2) Has received more than fifty-one per cent of the care
7 recipient's financial support from the caregiver;
8 provided that the care recipient is certified by a licensed
9 physician or a registered nurse as requiring one or more of the
10 following:
- 11 (1) Substantial supervision to protect the care recipient
12 from threat to health or safety due to cognitive
13 impairment; or
 - 14 (2) Substantial assistance to perform at least two of the
15 following daily living activities:
- 16 (A) Bathing;
 - 17 (B) Eating;
 - 18 (C) Using the toilet;
 - 19 (D) Dressing; or
 - 20 (E) Transferring, such as from bed to wheelchair.

1 "Eligible taxpayer" means a caregiver who cares for a
2 qualified care recipient and whose adjusted gross income is less
3 than fifty thousand dollars.

4 (c) An eligible taxpayer may claim the tax credit for
5 every taxable year that a qualified care recipient receives
6 care. An eligible taxpayer may not claim multiple tax credits
7 under this section in a taxable year, regardless of the number
8 of qualified care recipients receiving care from the taxpayer.

9 (d) The eligible taxpayer shall certify to the department
10 that the taxpayer is in compliance with all applicable federal,
11 state, and county statutes, rules, and regulations.

12 (e) If the tax credits claimed by an eligible taxpayer
13 exceed the amount of income tax payment due from the taxpayer,
14 the excess of credits over payments due shall be refunded to the
15 taxpayer; provided that tax credits properly claimed by an
16 eligible individual who has no income tax liability shall be
17 paid to the individual; and provided further that no refunds or
18 payments on account of the tax credits allowed by this section
19 shall be made for amounts less than \$1.

20 (f) Every claim, including amended claims, for the tax
21 credit under this section shall be filed on or before the end of
22 the twelfth month following the close of the taxable year for



1 which the tax credit may be claimed. Failure to meet the filing
2 requirements of this subsection shall constitute a waiver of the
3 right to claim the tax credit.

4 (g) The director of taxation shall prepare such forms as
5 may be necessary to claim a tax credit under this section, may
6 require proof of the claim for the tax credit, and may adopt
7 rules pursuant to chapter 91 to effectuate the purposes of this
8 section.

9 (h) The department of taxation shall report to the
10 legislature annually, no later than twenty days prior to the
11 convening of every regular session, on the number of taxpayers
12 claiming the tax credit and the total cost of the tax credit to
13 the State during the past year."

14 SECTION 2. New statutory material is underscored.

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



Report Title:

Long-Term Care; Low-Income Refundable Caregiver Tax Credit

Description:

Provides a \$1,000 refundable caregiver tax credit to taxpayer caregivers that care for qualified care recipients. (SD1)

