
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 "Eligible taxpayer" means a caregiver who gives care to a
14 qualified care recipient, with needs as specified in paragraph
15 (3)(A) or (B) in the definition of qualified care recipient, and
16 whose adjusted gross income is less than \$50,000.

17 "Qualified 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 eligible taxpayer who:

3 (1) Has lived in the eligible taxpayer's home for more
4 than six months of the taxable year for which the
5 credit is claimed;

6 (2) Has received more than fifty per cent of the qualified
7 care recipient's financial support from the eligible
8 taxpayer; and

9 (3) Is certified by a licensed physician or a registered
10 nurse as requiring one or more of the following:

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

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

16 (i) Bathing;

17 (ii) Eating;

18 (iii) Using the toilet;

19 (iv) Dressing; or

20 (v) Transferring, such as from bed to
21 wheelchair.



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

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

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

17 (f) Every claim, including amended claims, for the tax
18 credit under this section shall be filed on or before the end of
19 the twelfth month following the close of the taxable year for
20 which the tax credit may be claimed. Failure to meet the filing
21 requirements of this subsection shall constitute a waiver of the
22 right to claim the tax credit.



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

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

11 SECTION 2. New statutory material is underscored.

12 SECTION 3. This Act, upon its approval, shall apply to
13 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. (SD2)

