HOUSE OF REPRESENTATIVES TWENTY-FOURTH LEGISLATURE, 2007 STATE OF HAWAII H.B. NO. 795

1

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	" <u>§235-</u> Caregiver tax credit. (a) There shall be		
5	allowed a caregiver tax credit to each eligible taxpayer who is		
6	not claimed and is not otherwise eligible to be claimed as a		
7	dependent by another taxpayer for federal or Hawaii state		
8	individual income tax purposes, and who files an individual net		
9	income tax return for a taxable year.		
10	(b) The caregiver tax credit shall be a percentage of		
11	\$1,000, based on adjusted gross income of the caregiver as		
12	defined in the Internal Revenue Code of 1986, as amended,		
13	according to the following schedule:		
14	TAX CREDIT SCHEDULE		
15	Adjusted Gross Income Tax Credit		
16	<u>Under \$30,000</u> <u>100%</u>		
17	\$30,000 to under \$50,000 70%		
18	\$50,000 to under \$75,000 40%		
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1	\$75,000 and over 25%			
2	(c) An eligible taxpayer may claim the tax credit for			
3	every taxable year that the eligible taxpayer provides care to a			
4				
	care recipient. Only one caregiver per household may claim a			
5	tax credit for any care recipient cared for in a taxable year.			
6	An eligible taxpayer may not claim multiple tax credits under			
7	this section in a taxable year, regardless of the number of care			
8	recipients receiving care from the eligible taxpayer.			
9	(d) An 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 credit claimed by the taxpayer under this			
13	section exceeds the amount of income tax payments due from the			
14	taxpayer, the excess of credit over payments due shall be			
15	refunded to the taxpayer; provided that the tax credit properly			
16	claimed by a taxpayer who has no income tax liability shall be			
17	paid to the taxpayer; and provided that no refunds or payments			
18	on account of the tax credit allowed by this section shall be			
19	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			
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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, shall
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 shall report to the legislature
10	annually, no later than twenty days prior to the convening of
11	every regular session, on the number of taxpayers claiming the
12	tax credit and the total cost of the tax credit to the State
13	during the past year.
14	(i) The department shall assist the executive office on
15	aging to provide information on caregiver services to each
16	taxpayer who claims the tax credit.
17	(j) As used in this section:
18	"Caregiver" means a spouse, child, parent, sibling, legal
19	guardian, a reciprocal beneficiary as that term is defined in
20	section 572C-3, or any other person who is related by blood,
21	marriage, or adoption.



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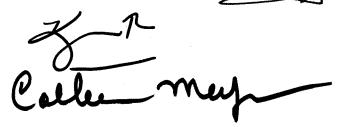
1	"Eli	gible taxpayer" means a caregiver who cares for a
2	qualified	care recipient.
3	"Qua	lified care recipient" means a person who is sixty
4	years of	age or older, a citizen or resident alien of the United
5	States, a	nd a relative of the caregiver who:
6	(1)	Has co-resided with the caregiver at least six months
7		of the taxable year for which the credit is claimed;
8		or
9	(2)	Has received more than fifty per cent of the qualified
10		care recipient's financial support during the taxable
11		year from the caregiver; and
12	(3)	Is certified by a licensed physician or advanced
13		practice registered nurse as requiring one of the
14		following:
15		(A) Substantial supervision to protect the qualified
16		care recipient from threat to health or safety
17		due to cognitive impairment; or
18		(B) Substantial assistance to perform at least two of
19		the following activities of daily living:
20		(i) Bathing;
21		(ii) Eating;
22		(iii) Using the toilet;



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1	(iv) Dressing; or
2	(v) Transferring, such as from bed to
3	wheelchair."
4	SECTION 2. New statutory material is underscored.
5	SECTION 3. This Act shall take effect on July 1, 2007 and
6	apply to taxable years beginning after December 31, 2007, and
7	shall be repealed on January 1, 2011.
8	
9	R. Thank
	INTRODUCED BY:

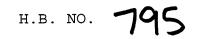
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Report Title: Caregivers; Tax Credit

Description:

Provides a tax credit to taxpayer caregivers who care for qualified care recipients.

