
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 "§235- 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

<u>Adjusted Gross Income</u>	<u>Tax Credit</u>
15 <u>Under \$30,000</u>	<u>100%</u>
16 <u>Under \$30,000</u>	<u>100%</u>
17 <u>\$30,000 to under \$50,000</u>	<u>70%</u>
18 <u>\$50,000 to under \$75,000</u>	<u>40%</u>



- 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



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.



1 "Eligible taxpayer" means a caregiver who cares for a
2 qualified care recipient.

3 "Qualified care recipient" means a person who is sixty
4 years of age or older, a citizen or resident alien of the United
5 States, and 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;



- 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, 2008 and
6 apply to taxable years beginning after December 31, 2008, and
7 shall be repealed on January 1, 2012.

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INTRODUCED BY:

Ken Umland

K.R.

Karen Anderson

Della C. Belatti
Ken T. R. Campbell

[Signature]

[Signature]

Esthera Mamm

Ronald Smith

Tom [Signature]

[Signature]

[Signature]

[Signature]

Cindy Evans

[Signature]
[Signature]

[Signature]

[Signature]



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Report Title:

Caregivers; Tax Credit

Description:

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

