
A BILL FOR AN ACT

RELATING TO TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 235-55.85, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§235-55.85 Refundable food/excise tax credit. (a) Each
4 resident individual taxpayer, who files an individual income tax
5 return for a taxable year, and 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, may claim a refundable food/excise tax credit against
9 the resident taxpayer's individual income tax liability for the
10 taxable year for which the individual income tax return is being
11 filed; provided that a resident individual who has no income or
12 no income taxable under this chapter and who is not claimed or
13 is not otherwise eligible to be claimed as a dependent by a
14 taxpayer for federal or Hawaii state individual income tax
15 purposes may claim this credit.

16 (b) Each resident individual taxpayer may claim a
17 refundable food/excise tax credit multiplied by the number of
18 qualified exemptions to which the taxpayer is entitled in



1 accordance with the table below; provided that a husband and
 2 wife filing separate tax returns for a taxable year for which a
 3 joint return could have been filed by them shall claim only the
 4 tax credit to which they would have been entitled had a joint
 5 return been filed.

6	Adjusted gross income	Credit per exemption
7	Under [\$5,000	\$85
8	\$5,000 under] \$10,000	[75] <u>100</u>
9	\$10,000 [under \$15,000	65
10	\$15,000] under \$20,000	[55] <u>85</u>
11	\$20,000 under \$30,000	[45] <u>75</u>
12	\$30,000 under \$40,000	[35] <u>65</u>
13	\$40,000 under \$50,000	[25] <u>55</u>
14	\$50,000 [and over] <u>under 60,000</u>	[0] <u>35</u>
15	<u>\$60,000 and over</u>	<u>0</u>

16 (c) For the purposes of this section, a qualified
 17 exemption is defined to include those exemptions permitted under
 18 this chapter; provided that no additional exemption may be
 19 claimed by a taxpayer who is sixty-five years of age or older;
 20 provided that a person for whom exemption is claimed has
 21 physically resided in the State for more than nine months during
 22 the taxable year; and provided further that multiple exemptions



1 shall not be granted because of deficiencies in vision or
2 hearing, or other disability. For purposes of claiming this
3 credit only, a minor child receiving support from the department
4 of human services of the State, social security survivor's
5 benefits, and the like, may be considered a dependent and a
6 qualified exemption of the parent or guardian.

7 (d) The tax credit under this section shall not be
8 available to:

- 9 (1) Any person who has been convicted of a felony and who
10 has been committed to prison and has been physically
11 confined for the full taxable year;
- 12 (2) Any person who would otherwise be eligible to be
13 claimed as a dependent but who has been committed to a
14 youth correctional facility and has resided at the
15 facility for the full taxable year; or
- 16 (3) Any misdemeanor who has been committed to jail and
17 has been physically confined for the full taxable
18 year.

19 (e) The tax credits claimed by a resident taxpayer
20 pursuant to this section shall be deductible from the resident
21 taxpayer's individual income tax liability, if any, for the tax
22 year in which they are properly claimed. If the tax credits



1 claimed by a resident taxpayer exceed the amount of income tax
2 payment due from the resident taxpayer, the excess of credits
3 over payments due shall be refunded to the resident taxpayer;
4 provided that tax credits properly claimed by a resident
5 individual who has no income tax liability shall be paid to the
6 resident individual; and provided further that no refunds or
7 payment on account of the tax credits allowed by this section
8 shall be made for amounts less than \$1.

9 (f) All claims for tax credits under this section,
10 including any amended claims, shall be filed on or before the
11 end of the twelfth month following the close of the taxable year
12 for which the credits may be claimed. Failure to comply with
13 the foregoing provision shall constitute a waiver of the right
14 to claim the credit.

15 (g) For the purposes of this section, "adjusted gross
16 income" means adjusted gross income as defined by the Internal
17 Revenue Code."

18 SECTION 2. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 3. This Act, upon its approval, shall apply to
21 taxable years beginning after December 31, 2007.

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INTRODUCED BY:

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JAN 18 2008



Report Title:

Taxation

Description:

Increases food tax credit established by Act 211, Session Laws of Hawaii 2007.

