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# A BILL FOR AN ACT

RELATING TO TAXATION.

**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-    Care home accessibility features tax credit.    (a)

5   Each individual taxpayer who files an individual income tax  
6   return for a taxable year, and who is not claimed or is not  
7   otherwise eligible to be claimed as a dependent by another  
8   taxpayer under this chapter, may claim a care home accessibility  
9   features tax credit against the taxpayer's net individual income  
10   tax liability for the taxable year for which the individual's  
11   income tax return is being filed.

12           (b) The tax credit shall apply to taxpayers who are  
13   operators of:

14           (1) Licensed adult residential care homes under sections  
15           321-15.6 and 321-15.62, both types I and II;

16           (2) Licensed developmental disabilities domiciliary homes  
17           under section 321-15.9; or



1       (3) Certified adult foster homes under section 321-11.2;  
 2           provided that operators are in compliance with all  
 3           applicable federal, state, and county statutes, rules,  
 4           and regulations.

5       (c) The tax credit for a taxpayer, including a husband and  
 6       wife filing a joint return, shall be an amount equal to the  
 7       lesser of the following amounts:

8           (1) \$ \_\_\_\_\_ ; or

9           (2) \_\_\_\_\_ per cent of the cost;

10       related to the fitting in new care homes or retrofitting in  
 11       older care homes with accessibility features, or hiring someone  
 12       to fit or retrofit a care home with accessibility features;  
 13       provided that a husband and wife filing separate tax returns for  
 14       a taxable year for which a joint return could have been filed by  
 15       them shall claim only the tax credit to which they would have  
 16       been entitled under this section had a joint return been filed.

17       (d) The tax credit allowed under this section shall be  
 18       claimed against net income tax liability for the taxable year.

19       For the purpose of deducting this tax credit, "net income  
 20       tax liability" means net income tax liability reduced by all  
 21       other credits allowed the taxpayer under this chapter.



1       (e) All claims for a tax credit under this section shall  
2 be filed on or before the end of the twelfth month following the  
3 close of the taxable year for which the credit may be claimed.  
4 Failure to properly and timely claim the credit shall constitute  
5 a waiver of the right to claim the credit.

6       (f) If the tax credit claimed by a taxpayer exceeds the  
7 amount of income tax payment due from the taxpayer, the excess  
8 of the credit over payments due shall be refunded to the  
9 taxpayer; provided that:

10       (1) A tax credit properly claimed by a taxpayer who has no  
11 income tax liability shall be paid to the taxpayer;  
12 and

13       (2) No refunds or payments on account of the tax credit  
14 allowed by this section shall be made for amounts less  
15 than \$1.

16       (g) If a taxpayer claims the cost of accessibility  
17 features for which a tax credit is allowed under this section as  
18 a tax deduction under this chapter or as a tax credit or a  
19 deduction for federal income tax purposes, no tax credit shall  
20 be claimed under this section.

21       (h) As used in this section, "accessibility features"  
22 includes:



- 1        (1) A no-step entrance allowing access into a care home
- 2                residence;
- 3        (2) Interior passage doors providing a minimum thirty-two
- 4                inch wide opening;
- 5        (3) Reinforcements in bathroom walls and installation of
- 6                grab bars around the toilet, tub, or shower;
- 7        (4) Light switches and outlets placed in wheelchair-
- 8                accessible locations; and
- 9        (5) Universal design features or accessibility or
- 10               adaptability features prescribed in the building codes
- 11               of any county;
- 12 installed and placed in service in a care home in the State.

- 13        (i) The director of taxation:
- 14               (1) Shall prepare forms as may be necessary to claim a tax
- 15               credit under this section;
- 16               (2) May require proof of the claim for the tax credit; and
- 17               (3) May adopt rules pursuant to chapter 91 to effectuate
- 18               the purposes of this section."

19        SECTION 2. New statutory material is underscored.



1 SECTION 3. This Act shall take effect upon its approval  
2 and shall apply to taxable years beginning after December 31,  
3 2007.  
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**Report Title:**

Tax Credit; Care Home Operators; Home Modification

**Description:**

Establishes an income tax credit for care home operators who make modifications to their home to increase accessibility for their clients.

