
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 applicable
3 federal, state, and county statutes, rules, and regulations.

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

7 (1) \$ _____ ; or

8 (2) _____ per cent of the cost;

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

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

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

21 (e) All claims for a tax credit under this section shall
22 be filed on or before the end of the twelfth month following the



1 close of the taxable year for which the credit may be claimed.
2 Failure to properly and timely claim the credit shall constitute
3 a waiver of the right to claim the credit.

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

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

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

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

19 (h) As used in this section, "accessibility features"
20 includes:

21 (1) A no-step entrance allowing access into a care home
22 residence;



- 1 (2) Interior passage doors providing a minimum thirty-two
- 2 inch wide opening;
- 3 (3) Reinforcements in bathroom walls and installation of
- 4 grab bars around the toilet, tub, or shower;
- 5 (4) Light switches and outlets placed in wheelchair-
- 6 accessible locations; and
- 7 (5) Universal design features or accessibility or
- 8 adaptability features prescribed in the building codes
- 9 of any county;

10 installed and placed in service in a care home in the state.

11 (i) The director of taxation:

12 (1) Shall prepare forms as may be necessary to claim a tax

13 credit under this section; and

14 (2) May require proof of the claim for the tax credit."

15 SECTION 2. New statutory material is underscored.

16 SECTION 3. This Act shall take effect upon its approval

17 and shall apply to taxable years beginning after December 31,

18 2007.



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. (HB3031 HD1)

