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# A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAX.

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

1           SECTION 2. 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-    Food tax credit. (a) Each individual taxpayer,  
5 who files an individual income tax return for a taxable year and  
6 who is not claimed or is not otherwise eligible to be claimed as  
7 a dependent by another taxpayer for federal or Hawaii state  
8 individual income tax purposes, may claim a food tax credit  
9 against the 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 taxpayer who has no income or no income  
12 taxable under this chapter and who is not claimed or is not  
13 otherwise eligible to be claimed as a dependent by a taxpayer  
14 for federal or Hawaii state individual income tax purposes may  
15 claim this credit.

16           (b) Each individual taxpayer may claim tax credits in the  
17 following amounts:

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TAX CREDIT SCHEDULE

<u>Taxpayer adjusted gross income</u>	<u>Tax credit</u>
<u>\$17,500 and less than</u>	<u>\$300</u>
<u>\$17,501 to \$35,000</u>	<u>\$225</u>
<u>\$35,001 to \$50,000</u>	<u>\$150</u>
<u>\$50,001 to \$70,000</u>	<u>\$ 75</u>
<u>Over \$70,000</u>	<u>\$ 0;</u>

8 provided that a husband and wife filing separate tax returns for  
 9 a taxable year for which a joint return could have been filed by  
 10 them shall claim only the tax credit to which they would have  
 11 been entitled.

12 (c) The tax credit under this section shall not be  
 13 available to:

14 (1) Any person who has not resided in the State for the  
 15 entire year for which the food tax credit is claimed;

16 (2) Any person who has been convicted of a felony and who  
 17 has been committed to prison and has been physically  
 18 confined for the full taxable year;

19 (3) Any person who would otherwise be eligible to be  
 20 claimed as a dependent but who has been committed to a  
 21 youth correctional facility and has resided at the  
 22 facility for the full taxable year; or



1        (4) Any misdemeanant who has been committed to jail and  
2                    has been physically confined for the full taxable  
3                    year.

4        (d) If the tax credits claimed by a taxpayer exceed the  
5 amount of income tax payment due, the excess of credits over  
6 payments due shall be refunded to the taxpayer; provided that no  
7 refunds or payment on account of the tax credits allowed by this  
8 section shall be made for amounts less than \$1.

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

15        (f) The director of taxation:

16        (1) Shall prepare the forms as may be necessary to claim a  
17                    tax credit under this section;

18        (2) May require proof of the claim for the tax credit; and

19        (3) May adopt rules pursuant to chapter 91 to effectuate  
20                    the purposes of this section."

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1 SECTION 2. New statutory material is underscored.  
 2 SECTION 3. This Act shall take effect upon its approval  
 3 and shall apply to taxable years beginning after December 31,  
 4 2006.  
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INTRODUCED BY: Mel Carroll

<u>Jim</u>	<u>Blair</u>
<u>Paul Chung</u>	<u>024.2-</u>
<u>Tony White</u>	<u>[Signature]</u>
<u>Calvin K. Boy</u>	<u>[Signature]</u>
<u>Kirk Caldwell</u>	<u>Ride T.R. Cabanilla</u>
<u>[Signature]</u>	<u>J. Val. Krumm</u>
<u>Mary Zlee</u>	<u>Cindy Evans</u>
	<u>[Signature]</u>

JAN 19 2007



**Report Title:**

Tax Credit; Food

**Description:**

Provides a sliding tax credit for the purchase of food based on a taxpayer's adjusted gross income.

