

---

---

# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1           SECTION 1. Pursuant to Act 285, Session Laws of Hawaii  
2 2006, the legislature established the joint legislative  
3 committee on family caregiving, which was tasked with developing  
4 public policy to strengthen and support family caregivers who  
5 provide unpaid assistance to elderly, disabled individuals. The  
6 legislature finds that pursuant to Special Committee Report  
7 No. 1, December 27, 2006, the joint legislative committee on  
8 family caregiving submitted its findings and recommendations for  
9 proposed legislation to assist family caregivers in providing  
10 care for elderly, disabled family members, friends, and  
11 neighbors.

12           The legislature further finds that the joint legislative  
13 committee on family caregiving determined that a key objective  
14 is to allow elderly individuals to age-in-place, with the help  
15 of family caregivers. Enabling these elderly individuals to  
16 remain in their own or their families' homes will allow them to  
17 live happier, healthier lives and allow the State to benefit



1 from the value of the services provided by family caregivers  
2 through the deferral of paid caregiving and  
3 institutionalization. However, increased support and services  
4 must be provided to family caregivers to facilitate family  
5 caregiving and aging-in-place efforts. Unfortunately, many  
6 homes are not readily equipped with the safety and accessibility  
7 measures necessary when caring for elderly or disabled  
8 individuals. Many elderly or disabled individuals require  
9 modifications for increased accessibility entering and exiting a  
10 home and within a home. Safety features are also necessary for  
11 using the facilities in a bathroom, such as the sink, toilet,  
12 tub, or shower. Although these types of home modifications can  
13 prove to be very costly, it will be more costly to move an  
14 elderly individual into an outside care facility, if such a  
15 facility is even available.

16 The purpose of this Act is to provide a tax credit for  
17 taxpayers who make modifications to their homes to accommodate  
18 individuals with disabilities.

19 SECTION 2. Chapter 235, Hawaii Revised Statutes, is  
20 amended by adding a new section to be appropriately designated  
21 and to read as follows:



1        "§235-        Home accessibility features for the disabled tax  
2 credit. (a) Each individual taxpayer who files an individual  
3 income tax return for a taxable year, and who is not claimed or  
4 is not otherwise eligible to be claimed as a dependent by  
5 another taxpayer under this chapter, may claim a home  
6 accessibility features for the disabled tax credit against the  
7 taxpayer's net individual income tax liability for the taxable  
8 year for which the individual's income tax return is being  
9 filed.

10        (b) The tax credit for an individual taxpayer, including a  
11 husband and wife filing a joint return, shall be an amount equal  
12 to the lesser of the following amounts:

13        (1) \$ \_\_\_\_\_ ; or

14        (2) \_\_\_\_\_ per cent of the cost of retrofitting or hiring  
15 someone to retrofit a residence with one or more  
16 accessibility features;

17 provided that a husband and wife filing separate tax returns for  
18 a taxable year for which a joint return could have been filed by  
19 them shall claim only the tax credit to which they would have  
20 been entitled under this section had a joint return been filed.

21        (c) The credit allowed under this section shall be claimed  
22 against net income tax liability for the taxable year. For the



1 purpose of deducting this tax credit, "net income tax liability"  
2 means net income tax liability reduced by all other credits  
3 allowed the taxpayer under this chapter.

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

9 (e) If the tax credit claimed by an eligible taxpayer  
10 exceeds the amount of income tax payment due from the taxpayer,  
11 the excess of the credit over payments due shall be refunded to  
12 the taxpayer; provided that a tax credit properly claimed by an  
13 eligible individual who has no income tax liability shall be  
14 paid to the individual; and provided further that no refunds or  
15 payments on account of the tax credit allowed by this section  
16 shall be made for amounts less than \$1.

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



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

14       (h) The director of taxation may adopt rules under chapter  
15 91 and prepare any forms necessary to carry out this section."

16       SECTION 3. New statutory material is underscored.

17       SECTION 4. This Act, upon its approval, shall apply to  
18 taxable years beginning after December 31, 2006.



**Report Title:**

Tax Credit; Home Accessibility Features for the Disabled

**Description:**

Establishes an income tax credit for taxpayers who make modifications to their home to increase accessibility for individuals with disabilities. (SD1)

