
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- Caregiver tax credit. (a) There shall be
5 allowed a caregiver tax credit to each eligible taxpayer subject
6 to the tax imposed by this chapter who is not claimed and is not
7 otherwise eligible to be claimed as a dependent by another
8 taxpayer for federal or Hawaii state individual income tax
9 purposes, and who files an individual net income tax return for
10 a taxable year.

11 (b) The caregiver tax credit shall be a percentage of
12 \$, based on the adjusted gross income, as defined by
13 the Internal Revenue Code, of the caregiver in accordance with
14 the following schedule; provided that a husband and wife filing
15 separate tax returns for a taxable year for which a joint return
16 could have been filed by them shall claim only the tax credit to



1 which they would have been entitled had a joint return been
2 filed:

3 TAX CREDIT SCHEDULE

4	<u>Adjusted Gross Income</u>	<u>Tax Credit Percentage</u>
5	<u>Under \$30,000</u>	<u>100%</u>
6	<u>\$30,000 to under \$50,000</u>	<u>70%</u>
7	<u>\$50,000 to under \$75,000</u>	<u>40%</u>
8	<u>\$75,000 and over</u>	<u>10%</u>

9 (c) An eligible taxpayer may claim the tax credit for
10 every taxable year that the eligible taxpayer provides care to a
11 care recipient. Only one caregiver per household may claim a
12 tax credit for any care recipient cared for in a taxable year.
13 An eligible taxpayer shall not claim multiple tax credits under
14 this section in a taxable year, regardless of the number of care
15 recipients receiving care from the eligible taxpayer.

16 (d) An eligible taxpayer shall certify to the department
17 that the taxpayer is in compliance with all applicable federal,
18 state, and county statutes, rules, and regulations.

19 (e) If the tax credit claimed by the taxpayer under this
20 section exceeds the amount of income tax payments due from the
21 taxpayer, the excess of credit over payments due shall be
22 refunded to the taxpayer; provided that the tax credit properly



1 claimed by a taxpayer who has no income tax liability shall be
2 paid to the taxpayer; and provided that no refunds or payments
3 on account of the tax credit allowed by this section shall be
4 made for amounts less than \$1.

5 (f) Every claim, including amended claims, for the tax
6 credit under this section shall be filed on or before the end of
7 the twelfth month following the close of the taxable year for
8 which the tax credit may be claimed. Failure to meet the filing
9 requirements of this subsection shall constitute a waiver of the
10 right to claim the tax credit.

11 (g) The director of taxation shall prepare any forms that
12 may be necessary to claim a tax credit under this section, may
13 require proof of the claim for the tax credit, and may adopt
14 rules pursuant to chapter 91.

15 (h) The department shall report to the legislature
16 annually, no later than twenty days prior to the convening of
17 each regular session, on the number of taxpayers claiming the
18 tax credit and the total cost of the tax credit to the State
19 during the past year.

20 (i) The department shall assist the executive office on
21 aging in providing information on caregiver services to each
22 taxpayer who claims the tax credit.



1 (j) As used in this section:

2 "Eligible taxpayer" means a caregiver who cares for a
3 qualified care recipient.

4 "Qualified care recipient" means a person who is sixty
5 years of age or older, a citizen or resident alien of the United
6 States, and a relative of the caregiver who:

7 (1) Has co-resided with the caregiver at least six months
8 of the taxable year for which the credit is claimed;

9 or

10 (2) Has received more than fifty per cent of the qualified
11 care recipient's financial support during the taxable
12 year from the caregiver; and

13 (3) Is certified by a physician licensed under chapter 453
14 or 460, or an advanced practice registered nurse
15 licensed under chapter 457, as requiring one of the
16 following:

17 (A) Substantial supervision to protect the qualified
18 care recipient from threat to health or safety
19 due to cognitive impairment; or

20 (B) Substantial assistance to perform at least two of
21 the following activities of daily living:

22 (i) Bathing;



- 1 (ii) Eating;
2 (iii) Using the toilet;
3 (iv) Dressing; or
4 (v) Transferring, such as from bed to
5 wheelchair.

6 "Relative" means a spouse, child, parent, sibling, legal
7 guardian, a reciprocal beneficiary as that term is defined in
8 section 572C-3, or any other person who is related by blood,
9 marriage, or adoption."

10 SECTION 2. New statutory material is underscored.

11 SECTION 3. This Act, upon its approval, shall apply to
12 taxable years beginning after December 31, 2006, and shall be
13 repealed on December 31, 2009.



Report Title:

Caregivers; Tax Credit

Description:

Provides a tax credit to taxpayer caregivers who care for qualified care recipients. (SD1)

