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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. The legislature finds that as the number of  
2 elderly individuals in the State increases, it is important to  
3 allow these individuals to age-in-place, with the help of family  
4 caregivers. Enabling these elderly individuals to remain in  
5 their own or their families' homes will allow them to live  
6 happier, healthier lives and allow the State to benefit from the  
7 value of the services provided by family caregivers through the  
8 deferral of paid caregiving and institutionalization. However,  
9 increased support and services must be provided to family  
10 caregivers to facilitate family caregiving and aging-in-place  
11 efforts. Unfortunately, many homes are not readily equipped  
12 with the safety and accessibility measures necessary when caring  
13 for elderly or disabled individuals. Many elderly or disabled  
14 individuals require modifications for increased accessibility  
15 entering and exiting a home and within a home. Safety features  
16 are also necessary for using the facilities in a bathroom, such  
17 as the sink, toilet, tub, or shower. Although these types of



1 home modifications can prove to be very costly, it will be more  
2 costly to move an elderly individual into an outside care  
3 facility, if such a facility is even available.

4 The purpose of this Act is to provide a tax credit for  
5 taxpayers who make modifications to their homes to accommodate  
6 individuals with disabilities.

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

10 "§235- Home accessibility features for the disabled tax  
11 credit. (a) Each individual taxpayer who files an individual  
12 income tax return for a taxable year, and who is not claimed or  
13 is not otherwise eligible to be claimed as a dependent by  
14 another taxpayer under this chapter, may claim a home  
15 accessibility features for the disabled tax credit against the  
16 taxpayer's net individual income tax liability for the taxable  
17 year for which the individual's income tax return is being  
18 filed.

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

22 (1) \$ \_\_\_\_\_ ; or



1       (2)       per cent of the cost of retrofitting or hiring  
2           someone to retrofit a residence with one or more  
3           accessibility features;

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

8       (c) The credit allowed under this section shall be claimed  
9 against net income tax liability for the taxable year. For the  
10 purpose of deducting this tax credit, "net income tax liability"  
11 means net income tax liability reduced by all other credits  
12 allowed the taxpayer under this chapter.

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

18       (e) If the tax credit claimed by an eligible taxpayer  
19 exceeds the amount of income tax payment due from the taxpayer,  
20 the excess of the credit over payments due shall be refunded to  
21 the taxpayer; provided that a tax credit properly claimed by an  
22 eligible individual who has no income tax liability shall be



1 paid to the individual; and provided further that no refunds or  
2 payments on account of the tax credit allowed by this section  
3 shall be made for amounts less than \$1.

4 (f) If a taxpayer claims the cost of accessibility  
5 features for which a tax credit is allowed under this section as  
6 a tax credit under this chapter other than the tax credit  
7 provided in this section, as a deduction under this chapter, or  
8 as a tax credit or deduction for federal income tax purposes,  
9 then no tax credit shall be claimed under this section.

10 (g) As used in this section, "accessibility features"  
11 includes:

12 (1) A no-step entrance allowing access into the residence;

13 (2) Interior passage doors providing at least a thirty-two  
14 inch wide clear opening;

15 (3) Reinforcements in bathroom walls and installation of  
16 grab bars around the toilet, tub, and shower;

17 (4) Light switches and outlets placed in wheelchair-  
18 accessible locations; and

19 (5) Universal design features or those accessibility or  
20 adaptability features prescribed in the building codes  
21 of any county in the State;

22 installed and placed in service in the State.



1        (h) The director of taxation may adopt rules under chapter  
2 91 and prepare any forms necessary to carry out this section."

3        SECTION 3. New statutory material is underscored.

4        SECTION 4. This Act, upon its approval, shall apply to  
5 taxable years beginning after December 31, 2007.

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INTRODUCED BY:

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**Report Title:**

Joint Legislative Committee on Family Caregiving; Tax; Home Modification

**Description:**

Establishes an income tax credit for taxpayers who make modifications to their home to increase accessibility for individuals with disabilities or special needs.

