

JAN 19 2007

A BILL FOR AN ACT

RELATING TO CAREGIVERS.

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 refundable caregiver tax credit to each eligible
6 taxpayer who is not claimed and is not otherwise eligible to be
7 claimed as a dependent by another taxpayer for federal or Hawaii
8 state individual income tax purposes, and who files an
9 individual net income tax return for a taxable year.

10 (b) The caregiver tax credit shall be \$1,000; provided
11 that an eligible taxpayer who has no income or no income taxable
12 under this chapter may claim the tax credit.

13 (c) An eligible taxpayer may claim the tax credit for
14 every taxable year that the eligible taxpayer provides care to a
15 care recipient. Only one caregiver per household may claim a
16 tax credit for any care recipient cared for in a taxable year.
17 An eligible taxpayer may not claim multiple tax credits under



1 this section in a taxable year, regardless of the number of care
2 recipients receiving care from the eligible taxpayer.

3 (d) If the tax credit claimed by the taxpayer under this
4 section exceeds the amount of income tax payments due from the
5 taxpayer, the excess of the tax credit over payments due shall
6 be refunded to the taxpayer; provided that the tax credit
7 properly claimed by a taxpayer who has no income tax liability
8 shall be paid to the taxpayer; provided further that no refunds
9 or payments on account of the tax credit allowed by this section
10 shall be made for amounts less than \$1.

11 (e) Every claim, including amended claims, for the tax
12 credit shall be filed on or before the end of the twelfth month
13 following the close of the taxable year for which the tax credit
14 may be claimed. Failure to meet the filing requirements of this
15 subsection shall constitute a waiver of the right to claim the
16 tax credit.

17 (f) The director of taxation shall prepare any forms that
18 may be necessary to claim a tax credit under this section, may
19 require proof of the claim for the tax credit, and may adopt
20 rules pursuant to chapter 91 to effectuate the purposes of this
21 section.



1 (g) The department of taxation shall report to the
2 legislature annually, no later than twenty days prior to the
3 convening of each regular session, on the number of taxpayers
4 claiming the tax credit and the total cost of the tax credit to
5 the State during the past year.

6 (h) The department of taxation shall assist the executive
7 office on aging to provide information on caregiver services to
8 each taxpayer who claims the tax credit.

9 (i) As used in this section:

10 "Eligible taxpayer" means a caregiver who cares for a
11 qualified care recipient.

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

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

17 or

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



- 1 (3) Is certified by a licensed physician or advanced
- 2 practice registered nurse as requiring one of the
- 3 following:
- 4 (A) Substantial supervision to protect the qualified
- 5 care recipient from threat to health or safety
- 6 due to cognitive impairment; or
- 7 (B) Substantial assistance to perform at least two of
- 8 the following activities of daily living:
- 9 (i) Bathing;
- 10 (ii) Eating;
- 11 (iii) Using the toilet
- 12 (iv) Dressing; or
- 13 (v) Transferring, such as from bed to
- 14 wheelchair.

15 "Relative" means a spouse, child, parent, sibling, legal
16 guardian, reciprocal beneficiary, as defined in section 572C-3,
17 or any other person who is related by blood, marriage, or
18 adoption."

19 SECTION 2. New statutory material is underscored.

20 SECTION 3. This Act, upon its approval, shall apply to



1 taxable years beginning after December 31, 2006, and shall be
2 repealed on January 1, 2010.

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Report Title:

Tax Credit; Caregivers

Description:

Provides a \$1,000 refundable tax credit to eligible taxpayers who care for qualified care recipients.

