

JAN 19 2007

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 Hawaii is plagued
2 with the problem of a lack of sufficient affordable rental units
3 within the State. Unfortunately, Hawaii's affordable
4 residential rental market is currently diminishing, while rental
5 prices continue to increase and soar. Rising prices have pushed
6 a number of low-income renters out of their homes and into the
7 streets or onto the beaches. The legislature further finds
8 that, while the State must continue to endeavor to increase the
9 number of affordable housing units available throughout the
10 islands, additional assistance should be provided to aid low-
11 income renters in remaining or obtaining rental units.

12 The purpose of this Act is to increase the amount of the
13 tax credit provided to low-income renters to help make existing
14 rentals more affordable.

15 SECTION 2. Section 235-55.7, Hawaii Revised Statutes, is
16 amended by amending subsection (c) to read as follows:



1 "(c) Each taxpayer with an adjusted gross income of less
 2 than \$30,000 who has paid more than \$1,000 in during the taxable
 3 year for which the credit is claimed may claim a tax credit of
 4 [\$50] \$ _____ multiplied by the number of qualified
 5 exemptions to which the taxpayer is entitled; provided [~~each~~]
 6 that:

7 (1) Each taxpayer sixty-five years of age or over may
 8 claim double the tax credit; and [~~provided that a~~]

9 (2) A resident individual who has no income or no income
 10 taxable under this chapter may also claim the tax
 11 credit as set forth in this section."

12 SECTION 3. Statutory material to be repealed is bracketed
 13 and stricken. New statutory material is underscored.

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

16

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Report Title:

Tax Credit; Low-income Household Renters; Increase

Description:

Increases the tax credit for low-income household renters.

