

---

---

# A BILL FOR AN ACT

RELATING TO TAX CREDITS.

**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- Telecommuting tax credit. (a) There shall be  
5 allowed to each individual or corporate taxpayer who is not  
6 claimed, or is not otherwise eligible to be claimed, as a  
7 dependent by another taxpayer for federal or state income tax  
8 purposes, a telecommuting tax credit that shall be deductible  
9 from the taxpayer's net income tax liability imposed by this  
10 chapter for the taxable year in which the tax credit is properly  
11 claimed.

12 For the purpose of this section, "telecommute" means a work  
13 arrangement between an employer and employee whereby an employee  
14 performs at least seventy-five per cent of the employee's job or  
15 duties at the employee's residence instead of commuting to a  
16 place of employment that is situated away from the employee's  
17 residence.

18 (b) To qualify for the tax credit, the taxpayer shall be:



1        (1) An employer who permits one or more full-time  
2                    employees to telecommute; and

3        (2) In compliance with all applicable federal, state, and  
4                    county statutes, rules, and regulations.

5        (c) The tax credit shall be equal to        per cent of an  
6 employer's costs related to allowing an employee to telecommute,  
7 multiplied by the number of employees who have telecommuted for  
8 the entire taxable year.

9        (d) If the tax credit under this section exceeds the  
10 taxpayer's net income tax liability, the amount of the excess  
11 tax credit shall be paid to the eligible taxpayer; provided that  
12 no refund or payment on account of the tax credit allowed by  
13 this section shall be made for amounts less than \$1.

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

20        (f) The director of taxation:

21        (1) Shall prepare forms as may be necessary to claim a tax  
22                    credit under this section;



- 1        (2) May require proof of the claim for the tax credit; and
- 2        (3) May adopt rules pursuant to chapter 91 to effectuate
- 3        the purposes of this section."

4        SECTION 2. New statutory material is underscored.

5        SECTION 3. This Act shall take effect upon its approval  
6 and shall apply to taxable years beginning after December 31,  
7 2008.

INTRODUCED BY:

Mele Carroll  
[Signature]

JAN 28 2009



**Report Title:**

Tax Credits; Telecommuting

**Description:**

Provides an income tax credit to employers who allow their employees to telecommute.

