

JAN 23 2009

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- Life-saving and critical health-maintenance
5 equipment tax credit. (a) There shall be allowed to each
6 resident individual taxpayer subject to the taxes imposed by
7 this chapter, a life-saving and critical health-maintenance
8 equipment tax credit which shall be deductible from the
9 taxpayer's net income tax liability, if any, imposed by this
10 chapter for the taxable year in which the credit is properly
11 claimed.

12 The amount of the credit shall be equal to twenty-five per
13 cent of the actual cost of a new generator or rechargeable
14 battery that is required to power the taxpayer's life-saving or
15 critical health-maintenance equipment at home during a power
16 outage. The maximum allowable tax credit for a taxpayer during
17 any taxable year shall be \$200.



1 (b) To qualify for the tax credit, a taxpayer shall:

2 (1) Be a resident individual taxpayer;

3 (2) Place the generator or rechargeable battery in service
4 in this State for a majority of the taxable year; and

5 (3) Obtain written substantiation from a physician
6 licensed and certified in this State that the life-
7 saving or critical health-maintenance equipment is
8 reasonably necessary to maintain or save the
9 taxpayer's life or prevent permanent harm to the
10 taxpayer's life.

11 (c) For the purposes of this section:

12 "Life-saving or critical health-maintenance equipment"
13 means equipment that is designed and intended to be used by
14 persons at home and is reasonably necessary to maintain or save
15 human life or prevent permanent harm to human life.

16 "Net income tax liability" means net income tax liability
17 reduced by all other credits allowed under this chapter.

18 (d) The tax credit claimed by a resident individual
19 taxpayer under this section shall be deductible from the
20 taxpayer's net income tax liability, if any, for the tax year in
21 which the credit is properly claimed. If the tax credit under
22 this section exceeds the taxpayer's net income tax liability in



1 any taxable year that the credit is properly claimed, the excess
2 of the tax credit over net income tax liability, if any, shall
3 be refunded to the taxpayer.

4 Every claim, including amended claims, for a tax credit
5 under this section shall be filed on or before the end of the
6 twelfth month following the close of the taxable year for which
7 the credit may be claimed. Failure to comply with the foregoing
8 provision shall constitute a waiver of the right to claim the
9 credit.

10 (e) The director of taxation shall prepare forms as may be
11 necessary to claim a credit under this section. The director
12 may also require the taxpayer to furnish information to
13 ascertain the validity of the claim for credit made under this
14 section, including requiring the taxpayer to have a physician
15 licensed and certified in this State substantiate the taxpayer's
16 claim that life-saving or critical health-maintenance equipment
17 is reasonably necessary for the taxpayer as set forth in
18 subsection (b) (3). The director may also adopt rules necessary
19 to effectuate the purposes of this section pursuant to chapter
20 91."

21 SECTION 2. New statutory material is underscored.



S.B. NO. 254

1 SECTION 3. This Act, upon its approval, shall apply to
2 taxable years beginning after December 31, 2008.

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Report Title:

Tax Credit; Life-Saving Equipment; Generator; Rechargeable Battery

Description:

Provides a refundable tax credit equal to twenty-five per cent of the actual cost of a new generator or rechargeable battery that is used to power a taxpayer's life-saving or critical health-maintenance equipment at home. Limits the maximum credit allowable for any taxable year to \$200.

