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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 imposing a fee to  
2 encourage beverage container recycling has resulted in less  
3 litter, more room in landfills, and an overall greener Hawaii.  
4 With the advent of the curbside recycling program, however,  
5 consumers have not been able to realize the redemption value of  
6 the recycling fee.

7           To remedy this inequity, this Act establishes a beverage  
8 container tax credit to reimburse consumers for the recycling  
9 fee lost because of the curbside recycling program.

10           The tax credit for each eligible taxpayer shall be \$45.  
11 The amount is based on an average household of 2.5 people who  
12 each consume one beverage (\$.05 cent redemption fee) every day  
13 for a year (2.5 x \$.05 x 365).

14           The purpose of this Act is to establish a beverage  
15 container tax credit.

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



1           "§235- Beverage container tax credit. (a) There shall  
2 be allowed to each individual taxpayer who is not claimed or is  
3 not otherwise eligible to be claimed as a dependent by another  
4 taxpayer for federal or state income tax purposes, who files a  
5 net income tax return for a taxable year, a beverage container  
6 tax credit that shall be deductible from the eligible taxpayer's  
7 net income tax liability imposed by chapter 235 for the taxable  
8 year in which the tax credit is properly claimed.

9           (b) The amount of the tax credit shall be equal to \$45 for  
10 each year the taxpayer is eligible to claim the tax credit;  
11 provided that:

12           (1) The tax credit may be claimed only once per household;

13           (2) Taxpayers who are eligible to file a joint return but  
14 choose to file separate individual returns shall be  
15 eligible for one-half of the tax credit amount; and

16           (3) No refund or payment on account of the tax credit  
17 allowed by this section shall be made for amounts less  
18 than \$1.

19           (c) If the tax credit under this section exceeds the  
20 taxpayer's net income tax liability, any excess of the tax  
21 credit may be used as a credit against the taxpayer's income tax  
22 liability in subsequent taxable years until exhausted.



1        (d) Every claim, including amended claims, for the tax  
 2 credit under this section shall be filed on or before the end of  
 3 the twelfth month following the close of the taxable year for  
 4 which the tax credit may be claimed. Failure to meet the filing  
 5 requirements of this subsection shall constitute a waiver of the  
 6 right to claim the tax credit.

7        (e) The director of taxation:


8        (1) Shall prepare any forms that may be necessary to claim  
 9 the tax credit under this section; and

10       (2) May adopt rules pursuant to chapter 91 to effectuate  
 11 the purposes of this section."

12       SECTION 3. New statutory material is underscored.

13       SECTION 4. This Act shall take effect upon its approval  
 14 and shall apply to taxable years beginning after December 31,  
 15 2009.

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INTRODUCED BY:   
 JAN 15 2010

**Report Title:**

Tax Credit; Recycling; Beverage Container

**Description:**

Establishes a \$45 income tax credit for beverage containers.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

