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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 "vog", or "volcanic  
2 smog" is a form of air pollution created when sulfur dioxide and  
3 other gases and particles emitted by an erupting volcano react  
4 with oxygen and moisture in the presence of sunlight. Vog has  
5 caused respiratory complications in so many children and adults  
6 in the State, particularly on the island of Hawaii. State  
7 agencies and the county of Hawaii have developed a system of  
8 "vog alerts" for Hawaii island schools to move children with  
9 respiratory problems into "safe rooms" with air purifiers and  
10 air conditioning systems if high levels of sulfur dioxide are  
11 detected. Seniors and residents with asthma or heart or lung  
12 disease are also vulnerable to the effects of vog.

13           The purpose of this Act is to provide a refundable tax  
14 credit for persons with respiratory disorders who purchase or  
15 install respiratory equipment.

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-       Vog-related respiratory assistance equipment;  
2 refundable tax credit. (a) There shall be allowed to each  
3 taxpayer subject to the taxes imposed by this chapter, an income  
4 tax credit that shall be deductible from the taxpayer's net  
5 income tax liability imposed by this chapter for the taxable  
6 year in which the credit is properly claimed; provided that a  
7 resident individual who has no income or no income taxable under  
8 this chapter may claim this credit.

9           The tax credit shall be available only to taxpayers who  
10 purchase or install respiratory assistance equipment in a  
11 taxpayer's primary residence, located in the State, for the  
12 purpose of creating a safe room to protect against the effects  
13 of vog for the taxpayer or the taxpayer's dependent children.  
14 The total amount of any credit allowed under this section shall  
15 not exceed \$200.

16           (b) As used in this section:

17           "Respiratory assistance equipment" means equipment that  
18 includes air purifiers, air conditioning systems, and oxygen  
19 tanks used in connection with a respiratory disorder caused or  
20 affected by vog or volcanic smog.

21           "Vog" or "volcanic smog" means a form of air pollution  
22 created when sulfur dioxide and other gases and particles



1 emitted by an erupting volcano react with oxygen and moisture in  
2 the presence of sunlight.

3 (c) Any tax credit claimed by a taxpayer pursuant to this  
4 section shall be deductible from the taxpayer's individual  
5 income tax liability, if any, for the tax year in which they are  
6 properly claimed. If the tax credits claimed by a taxpayer  
7 exceed the amount of income tax payment due from the taxpayer,  
8 the excess of credits over payments due shall be refunded to the  
9 taxpayer; provided that tax credits properly claimed by a  
10 resident individual who has no income tax liability shall be  
11 paid to the resident individual; and provided further that no  
12 refunds or payment on account of the tax credit allowed by this  
13 section shall be made for amounts less than \$1.

14 (d) All claims, including amended claims, for a tax credit  
15 under this section shall be filed on or before the end of the  
16 twelfth month following the close of the taxable year for which  
17 the credit may be claimed. Failure to comply with the foregoing  
18 provision shall constitute a waiver of the right to claim the  
19 credit.

20 (e) The director of taxation shall prepare any forms that  
21 may be necessary to claim a credit under this section. The  
22 director shall also require the taxpayer to furnish the



1 following information to ascertain the validity of the claims  
2 for credits made under this section:

3       (1) A receipt for the purchase or installation of  
4           respiratory assistance equipment purchased in the year  
5           the tax credit is properly claimed; and

6       (2) A letter from the taxpayer's primary care physician  
7           verifying a respiratory disorder caused or affected by  
8           vog.

9 The director may adopt rules pursuant to chapter 91 to  
10 effectuate the purposes of this section."

11       SECTION 2. Section 328L-4, Hawaii Revised Statutes, is  
12 amended to read as follows:

13       "§328L-4 Use of funds appropriated to the department. The  
14 department, immediately upon receipt of the moneys appropriated  
15 pursuant to section 328L-2(b)(2) shall:

16       (1) Transfer up to ten per cent of the total moneys  
17           received by the State from tobacco settlement moneys  
18           to the department of human services for the children's  
19           health insurance program; [and]

20       (2) Fund income tax credits for the purchase of vog-  
21           related respiratory assistance equipment, pursuant to  
22           section 235-     ; and



1        [~~(2)~~] (3)    Expend the remainder of the moneys received by  
2                    the department for health promotion and disease  
3                    prevention programs, including but not limited to,  
4                    maternal child health and child development programs,  
5                    promotion of healthy lifestyles (including fitness,  
6                    nutrition, and tobacco control), and prevention  
7                    oriented public health programs.

8            For purposes of paragraph [~~(2)~~], (3), the director shall  
9    convene an advisory group that shall be separate from the  
10   tobacco prevention and control advisory board, to strategically  
11   plan the development and implementation of preventive systems to  
12   achieve measurable outcomes and to make recommendations for the  
13   expenditure of these moneys.    The advisory group shall be  
14   composed of nine members with expertise in the programs under  
15   paragraph [~~(2)~~], (3), and shall be selected at the discretion of  
16   the director."

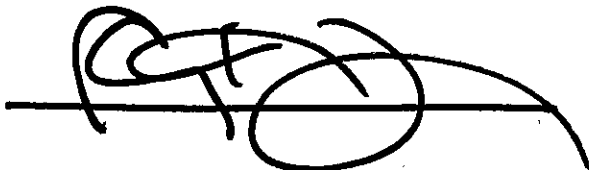
17            SECTION 3.    Statutory material to be repealed is bracketed  
18   and stricken.    New statutory material is underscored.

19            SECTION 4.    This Act shall take effect upon its approval  
20   and shall apply to taxable years beginning after December 31,  
21   2010.

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INTRODUCED BY:

  
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**Report Title:**

Vog-related Respiratory Assistance Equipment; Refundable Tax Credit

**Description:**

Provides a refundable tax credit for purchase of respiratory equipment to protect against the effects of vog to persons whose primary care physician recommends that they create a "safe room" in their homes with the assistance of that respiratory equipment. Amends provisions of the Hawaii tobacco settlement special fund.

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

