
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- Purchase of qualified principal residence;
5 income tax credit. (a) Any taxpayer who files an individual
6 income tax return for a taxable year, and who purchases a
7 qualified principal residence on or after July 1, 2010, and
8 before July 1, 2011, may claim an income tax credit under this
9 section against the Hawaii state individual net income tax.

10 (b) The tax credit shall be equal to the lesser of five
11 per cent of the purchase price of a qualified principal
12 residence or \$, and shall be applied in equal amounts
13 over the three successive taxable years beginning with the
14 taxable year in which the purchase of the qualified principal
15 residence is made.

16 (c) The credit under this section shall be allowed for the
17 purchase of only one qualified principal residence with respect
18 to any taxpayer.



1 (d) As used in this section, "qualified principal
2 residence" means a single-family residence, whether detached or
3 attached, that has never been occupied, that is purchased to be
4 the principal residence of the taxpayer for a minimum of two
5 years.

6 (e) If the taxpayer does not occupy the qualified
7 principal residence as the taxpayer's principal residence for at
8 least two years immediately following the purchase, the credit
9 shall be canceled. The department shall calculate and collect
10 from a taxpayer any repayment of the credit allowed under this
11 section.

12 (f) In the case of two taxpayers married, but filing
13 separately, the credit allowed under this section shall be
14 equally apportioned between the two taxpayers.

15 (g) If two or more taxpayers who are not married purchase
16 a qualified principal residence, the amount of the credit
17 allowed under this section shall be allocated among the
18 taxpayers in the same manner as each taxpayer's percentage of
19 ownership, except that the total amount of the credits allowed
20 to all of these taxpayers shall not exceed \$ _____.

21 (h) The director of taxation shall prepare such forms as
22 may be necessary to claim a credit under this section and may



1 adopt rules pursuant to chapter 91. The director of taxation
2 may require proof to claim the credit, including a certification
3 by the seller of the qualified principal residence that the
4 residence has never been previously occupied.

5 (i) Claims for the tax credit under this section,
6 including any amended claims, shall be filed on or before the
7 end of the twelfth month following the taxable year for which
8 the credit may be claimed.

9 (j) This section shall be repealed on December 31, 2014."

10 SECTION 2. New statutory material is underscored.

11 SECTION 3. This Act, upon its approval, shall apply to
12 taxable years beginning after December 31, 2009.

13

INTRODUCED BY: _____

A large, stylized handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to be the name of the person who introduced the bill.

JAN 26 2010



Report Title:

New Homebuyers Income Tax Credit

Description:

Provides an income tax credit for the purchase of a principal residence that has not been previously occupied.

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