

JAN 27 2010

A BILL FOR AN ACT

RELATING TO TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 237, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:
4 "§237- General excise tax surcharge. (a) There is
5 levied, assessed, and collected as provided in this section, on
6 all gross proceeds and gross income taxable under this chapter,
7 a general excise tax surcharge equal to per cent of all
8 gross proceeds and gross income that applies to this chapter.
9 All provisions of this chapter shall apply to the general excise
10 tax surcharge.
11 The director of taxation shall have all the rights and
12 powers provided under this chapter to administer the general
13 excise tax surcharge.
14 (b) The general excise tax surcharge shall be imposed on
15 the gross proceeds or gross income of all written contracts that
16 require the passing-on of the taxes imposed under this chapter;
17 provided that if the gross proceeds or gross income are received



1 as payments beginning in the taxable year in which the taxes
2 become effective on contracts entered into before June 30 of the
3 year prior to the taxable year in which the taxes become
4 effective, and the written contracts do not provide for the
5 passing-on of increased rates of taxes, the surcharge shall not
6 be imposed on the gross proceeds or gross income covered under
7 the written contracts.

8 The surcharge shall be imposed on the gross proceeds or
9 gross income from all contracts entered into on or after June 30
10 of the year prior to the taxable year in which the taxes become
11 effective, regardless of whether the contract allows for the
12 passing-on of any tax or any tax increase.

13 (c) No surcharge shall be assessed on any:

14 (1) Gross income or gross proceeds taxable under this
15 chapter at the one-half per cent tax rate;

16 (2) Gross income or gross proceeds taxable under this
17 chapter at the 0.15 per cent tax rate; or

18 (3) Transactions, amounts, persons, gross income, or gross
19 proceeds exempt from tax under this chapter.

20 (d) All taxpayers who file on a fiscal year basis whose
21 fiscal year ends after December 31 of the year prior to the
22 taxable year in which the taxes become effective, shall file a



1 short period annual return for the period preceding January 1 of
 2 the taxable year in which the taxes become effective. Each
 3 fiscal year taxpayer shall also file a short period annual
 4 return for the period starting on January 1 of the taxable year
 5 in which the taxes become effective, and ending before January 1
 6 of the following year."

7 SECTION 2. Section 235-55.85, Hawaii Revised Statutes, is
 8 amended by amending subsection (b) to read as follows:

9 "(b) Each resident individual taxpayer may claim a
 10 refundable food/excise tax credit multiplied by the number of
 11 qualified exemptions to which the taxpayer is entitled in
 12 accordance with the table below; provided that a husband and
 13 wife filing separate tax returns for a taxable year for which a
 14 joint return could have been filed by them shall claim only the
 15 tax credit to which they would have been entitled had a joint
 16 return been filed.

17	Adjusted gross income	Credit per exemption
18	Under \$5,000	[\$85] \$ _____
19	\$5,000 under \$10,000	[75] _____
20	\$10,000 under \$15,000	[65] _____
21	\$15,000 under \$20,000	[55] _____
22	\$20,000 under \$30,000	[45] _____

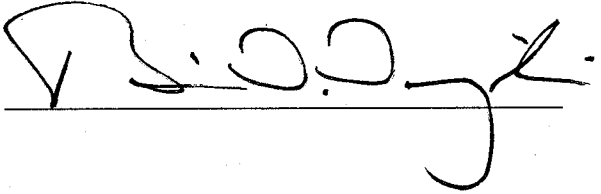


1	\$30,000 under \$40,000	[35] ___
2	\$40,000 under \$50,000	[25] ___
3	\$50,000 [and over] <u>under \$60,000</u>	[0] ___
4	<u>\$60,000 under \$70,000</u>	___
5	<u>\$70,000 under \$80,000</u>	___
6	<u>\$80,000 under \$90,000</u>	___
7	<u>\$90,000 under \$100,000</u>	___"

8 SECTION 3. Statutory material to be repealed is bracketed
 9 and stricken. New statutory material is underscored.

10 SECTION 4. This Act shall take effect upon its approval
 11 and shall apply to taxable years beginning after December 31,
 12 2009.

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INTRODUCED BY: 

Report Title:

GET; Income Tax Credit

Description:

Provides vehicles to raise the general excise tax and to expand the qualifying income levels for the food/excise tax credit.

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

