
A BILL FOR AN ACT

RELATING TO EMPLOYEE INCREASE TAX CREDIT.

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- Employee increase tax credit. (a) There shall
5 be allowed to each taxpayer subject to the tax imposed by this
6 chapter, an employee increase tax credit for any taxpayer who is
7 an employer in the State that demonstrates to the department an
8 increase in the number of the employer's employees over the
9 prior taxable year, which shall be deductible from the
10 taxpayer's net income tax liability, if any, imposed by this
11 chapter for the taxable year in which the credit is properly
12 claimed.

13 (b) The amount of the credit determined under this section
14 for the taxable year shall be as follows for each employee who
15 is employed in excess of the total number of employees during
16 the prior taxable year and is retained by the employer in the
17 taxable year for at least:



1 (1) Four hundred hours: forty per cent of the employee's
2 wages paid, up to \$8,500; and

3 (2) One hundred twenty hours but less than four hundred
4 hours: twenty-five per cent of the employee's wages,
5 up to \$8,500;

6 (c) The credit allowed under this section shall be claimed
7 against net income tax liability for the taxable year. A tax
8 credit under this section that exceeds the taxpayer's income tax
9 liability may be used as a credit against the taxpayer's income
10 tax liability in subsequent years until exhausted.

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


17 (e) The director of taxation may adopt any rules under
18 chapter 91 and forms necessary to carry out this section."

19 SECTION 2. New statutory material is underscored.



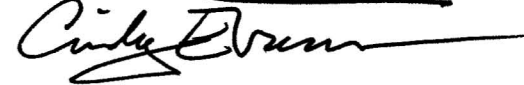



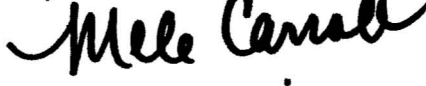

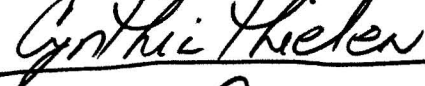



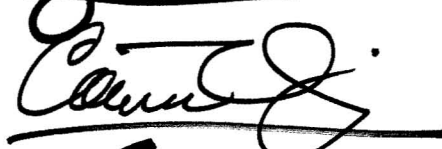



1 SECTION 3. This Act shall take effect upon approval and
2 shall apply to taxable years beginning after December 31, 2009.
3

INTRODUCED BY:



Tom Brown















JAN 26 2009



Report Title:

Employee Increase Tax Credit

Description:

Provides maximum tax credit of \$8,500 for an employer that increases employee count over the prior taxable year.

