
A BILL FOR AN ACT

RELATING TO REFUNDABLE FOOD/EXCISE TAX CREDIT.

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

1 SECTION 1. The legislature finds that income derived from
2 employer-funded pensions, social security, or government
3 pensions are not taxed by the State. Although the public policy
4 of assisting retirees is commendable, it had the unintended
5 effect of allowing some well-to-do retirees to claim the
6 refundable food/excise tax credit -- which was intended to
7 assist the poor. Considering the current budget crisis faced by
8 the State, it is incumbent upon the legislature to narrowly
9 define the intended beneficiaries of the refundable food/excise
10 tax credit to reduce the cost of government and to ultimately
11 balance the state budget.

12 The purpose of this Act is to include income derived from
13 employer-funded pensions, social security, or government
14 pensions in determining eligibility for the refundable
15 food/excise tax credit.

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



1 "(b) Each resident individual taxpayer may claim a
2 refundable food/excise tax credit multiplied by the number of
3 qualified exemptions to which the taxpayer is entitled in
4 accordance with the table below; provided that a husband and
5 wife filing separate tax returns for a taxable year for which a
6 joint return could have been filed by them shall claim only the
7 tax credit to which they would have been entitled had a joint
8 return been filed.

	Adjusted gross income	Credit per exemption
10	Under \$5,000	\$85
11	\$5,000 under \$10,000	75
12	\$10,000 under \$15,000	65
13	\$15,000 under \$20,000	55
14	\$20,000 under \$30,000	45
15	\$30,000 under \$40,000	35
16	\$40,000 under \$50,000	25
17	\$50,000 and over	0 _i

18 provided further that, for the purposes of this section,
19 adjusted gross income shall include income derived from
20 employer-funded pensions, social security, or government
21 pensions."



1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

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

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INTRODUCED BY: _____

Cindy Evans

JAN 22 2010



Report Title:

Refundable Food/Excise Tax Credit; Eligibility

Description:

Includes income derived from employer-funded pensions, social security, or government pensions in determining eligibility for the refundable food/excise tax credit.

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