
A BILL FOR AN ACT

RELATING TO ELDERLY CARE 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- Elderly home care tax credit. (a) Each resident
5 taxpayer, who files an individual income tax return for a
6 taxable year, and who is not claimed or is not otherwise
7 eligible to be claimed as a dependent by another taxpayer for
8 federal or Hawaii state individual income tax purposes, may
9 claim a tax credit for the care of elderly relatives against the
10 taxpayer's individual income tax liability; provided that:

11 (1) A husband and wife filing separate returns for a
12 taxable year for which a joint return could have been
13 filed by them shall claim only the tax credit to which
14 they would have been entitled had a joint return been
15 filed; and

16 (2) A resident individual who has no income or no income
17 taxable under this chapter and who is not claimed or
18 is not otherwise eligible to be claimed as a dependent



1 by a taxpayer for federal or Hawaii state individual
2 income tax purposes may also claim the tax credit in
3 this section.

4 (b) Each individual taxpayer may claim a tax credit in the
5 amount of \$ for the care of an elderly relative as
6 provided in this section.

7 (c) In order to claim a tax credit under this section, the
8 relative shall:

9 (1) Be sixty-five years of age or older;

10 (2) Be totally disabled or chronically ill and otherwise
11 would have to be cared for in an intermediate care or
12 skilled nursing facility;

13 (3) Be certified by the department of human services as
14 requiring a level of care as is provided at an
15 intermediate care or skilled nursing facility during
16 the taxable year for which the credit is claimed;

17 (4) Have no income taxable under this chapter; and

18 (5) Have been cared for and maintained in the taxpayer's
19 residence for a period of not less than six months
20 during the taxable year.

21 (d) In order to claim a tax credit under this section, no
22 taxpayer shall:



- 1 (1) Have placed the elderly relative for whom the tax
2 credit is claimed in any for-profit adult day care
3 center or intermediate care or skilled nursing
4 facility for a period of more than twenty-nine days
5 during the taxable year;
- 6 (2) Operate any type of nonprofit or for-profit care
7 service for handicapped or elderly individuals; or
- 8 (3) Claim a tax credit under section 235-55.6.
- 9 (e) As used in this section "relative" means any person
10 related to the taxpayer or the taxpayer's spouse as a
11 grandparent, parent, son, daughter, aunt, uncle, brother,
12 sister, or first cousin.
- 13 (f) The tax credit claimed by a resident taxpayer pursuant
14 to this section shall be deductible from the resident taxpayer's
15 individual income tax liability, if any, for the tax year in
16 which the tax credit is properly claimed. If the tax credit
17 claimed by a resident taxpayer exceeds the amount of income tax
18 payment due from the resident taxpayer, the excess of credit
19 over payments due shall be refunded to the resident taxpayer;
20 provided that no refunds or payment on account of the tax credit
21 allowed by this section shall be made for amounts less than \$1.



1 (g) All claims for a tax credit under this section,
 2 including any amended claims, shall be filed not later than the
 3 end of the twelfth-month following the close of the taxable year
 4 for which the credit may be claimed. Failure to comply with the
 5 foregoing provision shall constitute a waiver of the right to
 6 claim the credit.

7 (h) The director of taxation:

8 (1) Shall prepare the appropriate forms to be used under
 9 this section;

10 (2) May require proof to claim the tax credit; and

11 (3) May adopt rules pursuant to chapter 91 to effectuate
 12 this section."

13 SECTION 2. New statutory material is underscored.

14 SECTION 3. This Act shall take effect upon its approval
 15 and shall apply to taxable years beginning after December 31,
 16 2010.

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INTRODUCED BY:

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Report Title:

Tax Credit; Elderly

Description:

Provides a tax credit to taxpayers who care for elderly relatives.

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