
A BILL FOR AN ACT

RELATING TO OHANA HOUSING.

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- Ohana housing; income tax credit. (a) Each
5 resident individual taxpayer who files an individual income tax
6 return for a taxable year and who is not claimed or is not
7 otherwise eligible to be claimed as a dependent by another
8 taxpayer for federal or Hawaii state individual income tax
9 purposes may claim an ohana housing tax credit against the
10 resident taxpayer's individual income tax liability for the
11 taxable year for which the individual income tax return is being
12 filed. The amount of the credit shall be deductible from the
13 resident individual taxpayer's net income tax liability imposed
14 by this chapter for the taxable year in which the credit is
15 properly claimed.
16 (b) Each resident individual taxpayer may claim an ohana
17 housing tax credit for per cent of the total construction



1 cost of any residential addition or expansion built solely to
2 house eligible family members.

3 As used in this subsection, "eligible family members" means
4 those members of the resident individual taxpayer's family who,
5 at the time of application for the building permit, reside in an
6 emergency or transitional shelter as defined in section 346-361,
7 or who are on a waiting list for an emergency or transitional
8 shelter or public housing.

9 (c) To claim a tax credit under this section, the resident
10 individual taxpayer shall have duly obtained a building permit
11 according to county regulations, and shall ensure that all
12 construction proceeded according to applicable county building
13 codes.

14 (d) If the tax credit under this section exceeds the
15 resident individual taxpayer's income tax liability, the excess
16 of the credit over liability shall be refunded to the taxpayer;
17 provided that no refunds or payment on account of the tax credit
18 under this section shall be made for amounts less than \$1. All
19 claims for a tax credit under this section, including amended
20 claims, shall be filed on or before the end of the twelfth month
21 following the close of the taxable year for which the tax credit



1 may be claimed. Failure to comply with the foregoing provision
2 shall constitute a waiver of the right to claim the tax credit.

3 (e) The director of taxation shall prepare any forms that
4 may be necessary to claim a credit under this section. The
5 director may also require the taxpayer to furnish information to
6 ascertain the validity of the claim for the tax credit made
7 under this section and may adopt rules necessary to effectuate
8 the purposes of this section pursuant to chapter 91."

9 SECTION 2. New statutory material is underscored.

10 SECTION 3. This Act shall take effect on July 1, 2011;
11 provided that section 2 shall apply to taxable years beginning
12 after December 31, 2011.

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INTRODUCED BY:

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Report Title:

Ohana Housing; Tax Credit

Description:

Provides for an Ohana Housing tax credit to help offset qualified construction costs. Effective July 1, 2011.

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