
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The legislature finds that veterans have made
2 great sacrifices for the United States. The legislature also
3 finds that, despite major strides forward in their transition to
4 civilian life, many veterans continue to encounter a myriad of
5 obstacles, including service related disabilities that can lead
6 to critical gaps in finding employment.

7 The purpose of this Act is to assist veterans by:

8 (1) Establishing a tax credit for employers who award jobs
9 to veterans; and

10 (2) Requiring the department of taxation, with the
11 assistance of the department of labor and industrial
12 relations, to report on the number of jobs created by
13 this tax credit.

14 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
15 amended by adding a new section to be appropriately designated
16 and to read as follows:

17 "§235- Veterans work opportunity tax credit. (a)

18 There shall be allowed to each taxpayer subject to the taxes



1 imposed by this chapter, an income tax credit that shall be
2 deductible from the taxpayer's net income tax liability, if any,
3 imposed by this chapter for the taxable year in which the credit
4 is properly claimed; provided that the taxpayer receives a
5 federal tax credit under section 51 of the Internal Revenue Code
6 for the employment of a qualified veteran, as defined in section
7 51(d)(3) of the Internal Revenue Code, in the same taxable year.

8 (b) The amount of the income tax credit shall be equal to
9 the tax credit provided under section 51 of the Internal Revenue
10 Code for the employment of a qualified veteran.

11 (c) The director of taxation shall prepare any forms that
12 may be necessary to claim a tax credit under this section. The
13 director may also require the taxpayer to furnish reasonable
14 information to ascertain the validity of the claim for credit
15 made under this section, including copies of any Internal
16 Revenue Service or Employment and Training Administration forms
17 used by the taxpayer to qualify for a tax credit under section
18 51 of the Internal Revenue Code.

19 (d) If the tax credit under this section exceeds the
20 taxpayer's income tax liability, the excess of the credit over
21 liability may be used as a credit against the taxpayer's income
22 tax liability in subsequent years until exhausted. All claims



1 for the tax credit under this section, including amended claims,
 2 shall be filed on or before the end of the twelfth month
 3 following the close of the taxable year for which the credit may
 4 be claimed. Failure to comply with this subsection shall
 5 constitute a waiver of the right to claim the credit.

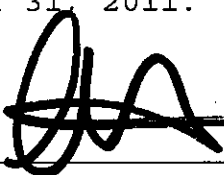
6 (e) The director of taxation may adopt rules necessary to
 7 effectuate the purposes of this section pursuant to chapter 91.

8 (f) The director of taxation, with the assistance of the
 9 department of labor and industrial relations, shall report to
 10 the legislature on the effect of this tax credit on employment
 11 no later than twenty days prior to the convening of each regular
 12 session. The report shall include information on the number of
 13 jobs created and the length of service for those jobs."

14 SECTION 3. New statutory material is underscored.

15 SECTION 4. This Act, upon its approval, shall apply to
 16 taxable years beginning after December 31, 2011.
 17

INTRODUCED BY:



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JAN 19 2012



H.B. NO. 2146

Report Title:

Veterans; Employment; Tax Credit

Description:

Establishes a tax credit for taxpayers who employ unemployed or disabled veterans. Establishes job reporting requirement.

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

