
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 PART I

2 SECTION 1. The purpose of this Act is to:

- 3 (1) Limit the amount of itemized deductions that may be
4 claimed by a taxpayer; and
5 (2) Remove the refunding feature of the capital goods
6 excise tax credit.

7 PART II

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

11 "§235- Itemized deductions; limitation.

12 Notwithstanding any other law to the contrary, itemized tax
13 deductions claimed pursuant to this chapter shall not exceed:

14 (1) \$50,000 in the case of:

- 15 (A) A joint return (as provided by section 235-93) of
16 taxpayers with adjusted gross income of over
17 \$300,000; or



1 excess credit may be used between January 1, 2012, and December
 2 31, 2015 as a deduction from the taxpayer's net income tax
 3 liability; and provided further that no refunds or payment on
 4 account of the tax credit allowed by this section shall be made
 5 for amounts less than \$1.

6 All claims for tax credits under this section, including
 7 any amended claims, must be filed on or before the end of the
 8 twelfth month following the close of the taxable year for which
 9 the credits may be claimed. Failure to comply with the
 10 foregoing provision shall constitute a waiver of the right to
 11 claim the credit."

PART IV

SECTION 4. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2011, and
 shall apply to taxable years beginning after December 31, 2010;
 provided that:

(1) This Act shall apply retroactive to January 1, 2011;

and

(2) Part II shall be repealed on January 1, 2016.

INTRODUCED BY:

Calvin K. Y. Say

 JAN 21 2011



Report Title:

Itemized Deductions - Limits; Capital Goods Excise Tax Credit

Description:

Temporarily places a cap on itemized deductions claimed on state income tax returns until 01/01/16. Suspends the refunding feature of the capital goods excise tax credit for eligible depreciable tangible personal property placed in service after 12/31/10, but before 01/01/15. Applies to taxable years beginning after 12/31/10. Effective retroactive to 01/01/11.

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