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# A BILL FOR AN ACT

RELATING TO LONG-TERM CARE INSURANCE.

**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- Long-term care insurance tax credit. (a) There  
5 shall be allowed to each taxpayer subject to the tax imposed by  
6 this chapter a long-term care insurance tax credit which shall  
7 be deductible from the taxpayer's net income tax liability, if  
8 any, imposed by this chapter for the taxable year in which the  
9 credit is properly claimed.

10           (b) For purposes of this section:

11           "Long-term care insurance" shall have the same meaning as  
12 in 431:10H-104.

13           (c) The amount of the tax credit shall be equal to  
14 per cent of the long-term care insurance costs incurred by the  
15 taxpayer during the taxable year up to a maximum of \$  
16 in costs in any taxable year.

17           (d) If the tax credit under this section exceeds the  
18 taxpayer's net income tax liability, the excess of credit over



1 liability may be used as a tax credit against the taxpayer's net  
2 income tax liability in subsequent years until exhausted. All  
3 claims for a tax credit under this section, including amended  
4 claims, shall be filed on or before the end of the twelfth month  
5 following the close of the taxable year for which the tax credit  
6 may be properly claimed. Failure to comply with the foregoing  
7 provision shall constitute a waiver of the right to claim the  
8 tax credit.

9 (e) No other tax credit may be claimed under this chapter  
10 for the costs used to properly claim a tax credit under this  
11 section for the taxable year.

12 (f) In the case of a partnership, S corporation, estate,  
13 or trust, the tax credit allowable is for the costs incurred by  
14 the entity for the taxable year. The cost upon which the tax  
15 credit is computed shall be determined at the entity level.  
16 Distribution and share of the tax credit shall be determined  
17 pursuant to section 704(b) (with respect to partner's  
18 distributive share) of the Internal Revenue Code.

19 (g) The director of taxation shall prepare any forms that  
20 may be necessary to claim a credit under this section. The  
21 director may also require the taxpayer to furnish information to  
22 ascertain the validity of the claim for the tax credit made



# S.B. NO. 2300

1 under this section and may adopt rules necessary to effectuate  
2 the purposes of this section pursuant to chapter 91.

3 (h) The tax credit allowable in this section shall be  
4 available for taxable years beginning after December 31, 2011."

5 SECTION 2. New statutory material is underscored.

6 SECTION 3. This Act, upon its approval, shall apply to  
7 taxable years beginning after December 31, 2011.

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# S.B. NO. 2300

**Report Title:**

Long-Term Care Insurance; Tax Credit

**Description:**

Establishes a tax credit for an unspecified percentage of the annual costs of long-term care insurance.

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

