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## A BILL FOR AN ACT

RELATING TO TAXATION.

**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-       Income tax credit for hiring developmentally,  
5 intellectually, or physically disabled individuals. (a) There  
6 shall be allowed to each taxpayer subject to the tax imposed by  
7 this chapter, a credit for the hiring of a developmentally,  
8 intellectually, or physically disabled individual at a business  
9 owned by the taxpayer. The tax credit shall be deductible from  
10 the taxpayer's net income tax liability imposed by this chapter  
11 for the taxable year in which the credit is properly claimed.

12           (b) The amount of the credit shall be equal to fifty per  
13 cent of the qualified wages for the first six months after the  
14 developmentally, intellectually, or physically disabled  
15 individual is hired. Tax credits that exceed the taxpayer's  
16 income tax liability may be used as a credit against the  
17 taxpayer's income tax liability in subsequent years until  
18 exhausted; provided that in no taxable year shall the total



1 amount of tax credits claimed under this section exceed  
2 \$\_\_\_\_\_.

3 (c) For the purposes of this section:

4 "Disabled" means having a physical or intellectual  
5 impairment which substantially limits one or more major life  
6 activities, having record of such impairment, or being regarded  
7 as having such impairment; provided that the person has been  
8 confirmed of such a condition by a non-profit organization  
9 working with developmentally, intellectually, or physically  
10 disabled individuals, such as, but not limited to, the Easter  
11 Seals or the Friendship House.

12 "Qualified wages" means wages attributable to work rendered  
13 during the taxable year for the six-month period after a  
14 developmentally, intellectually, or physically disabled  
15 individual is hired.

16 (d) The director of taxation:

17 (1) Shall prepare any forms necessary to claim a credit  
18 under this section;

19 (2) May require a taxpayer to furnish reasonable  
20 information in order to ascertain the validity of a  
21 claim for credit; and



1        (3) May adopt rules pursuant to chapter 91 to effectuate  
2                    the purposes of this section.

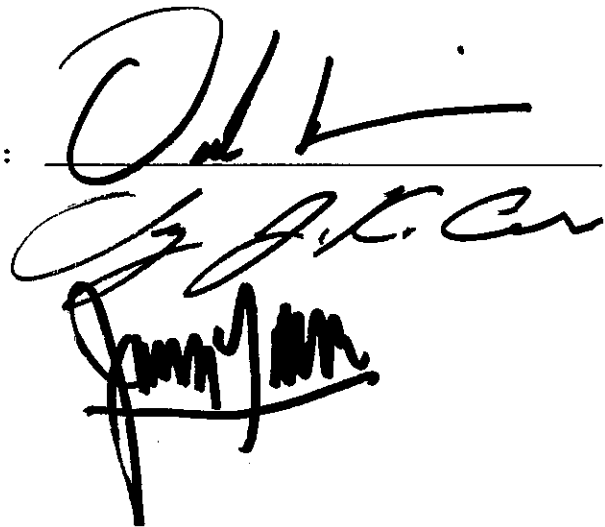
3        (e) Claims for the tax credit under this section,  
4 including any amended claims, shall be filed on or before the  
5 end of the twelfth month following the taxable year for which  
6 the credit is claimed. Failure to comply with the foregoing  
7 provision shall constitute a waiver of the right to claim the  
8 tax credit."

9        SECTION 2. New statutory material is underscored.

10       SECTION 3. This Act shall take effect upon its approval  
11 and shall apply to taxable years beginning after December 31,  
12 2012.

13

INTRODUCED BY:



JAN 24 2013



# H.B. NO. 1298

**Report Title:**

Tax Credit; Developmental, Intellectual, or Physical Disability;  
Employment

**Description:**

Provides a nonrefundable income tax credit at fifty per cent of qualified wages for the first six months for a taxpayer who hires a developmentally, intellectually, or physically disabled individual.

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