
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 an individual with a
5 disability. (a) There shall be allowed to each taxpayer
6 subject to the tax imposed by this chapter, a credit for the
7 hiring of every individual with a disability at a business owned
8 by the taxpayer during the taxable year; provided that the tax
9 credit shall not be allowed for the hiring of an individual who
10 was previously employed by the taxpayer. The tax credit shall
11 be deductible from the taxpayer's net income tax liability, if
12 any, imposed by this chapter for the taxable year in which the
13 credit is properly claimed.
14 (b) The amount of the credit shall be equal to fifty per
15 cent of the qualified wages for the first six months after an
16 individual with a disability is hired. A tax credit that
17 exceeds the taxpayer's income tax liability may be used as a
18 credit against the taxpayer's income tax liability in subsequent



1 years until exhausted; provided that in no taxable year shall
2 the total amount of the tax credit claimed under this section
3 exceed \$ _____ per individual hired.

4 (c) For the purposes of this section:

5 "Individual with a disability" means an individual having a
6 physical or intellectual impairment that substantially limits
7 one or more major life activities, having a record of that
8 impairment, or being regarded as having that impairment;
9 provided that the disabling impairment is certified by a
10 physician licensed under chapter 453.

11 "Qualified wages" means wages attributable to work rendered
12 by an individual with a disability for the six-month period
13 after the individual is initially hired.

14 (d) The director of taxation:

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

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

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



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

7 SECTION 2. New statutory material is underscored.

8 SECTION 3. This Act shall take effect on July 1, 2030, and
9 shall apply to taxable years beginning after December 31, 2013.



Report Title:

Tax Credit; Individual with a Disability; Employment

Description:

Provides a taxpayer who hires an individual with a disability with a nonrefundable income tax credit at 50% of qualified wages for the 6-month period for which the individual is initially hired by the taxpayer. Effective 07/01/2030. (SD2)

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