
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 an individual with a disability at a business owned by
8 the taxpayer during the taxable year. The tax credit shall be
9 deductible from the taxpayer's net income tax liability, if any,
10 imposed by this chapter for the taxable year in which the credit
11 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 individual with a disability is hired. A tax credit that
15 exceeds the taxpayer's income tax liability may be used as a
16 credit against the taxpayer's income tax liability in subsequent
17 years until exhausted; provided that in no taxable year shall



1 the total amount of the tax credit claimed under this section
2 exceed \$ _____.

3 (c) For the purposes of this section:

4 "Individual with a disability" means an individual having a
5 physical or intellectual impairment that substantially limits
6 one or more major life activities, having a record of such
7 impairment, or being regarded as having such impairment.

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

11 (d) The director of taxation:

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

14 (2) May require a taxpayer to furnish reasonable
15 information in order to ascertain the validity of a
16 claim for credit; and

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

19 (e) Claims for the tax credit under this section,
20 including any amended claims, shall be filed on or before the
21 end of the twelfth month following the taxable year for which
22 the credit is claimed. Failure to comply with the foregoing



1 provision shall constitute a waiver of the right to claim the
2 tax credit."

3 SECTION 2. New statutory material is underscored.

4 SECTION 3. This Act shall take effect on July 1, 2030, and
5 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 fifty per cent of qualified wages for the six-month period for which the individual is initially hired by the taxpayer. Effective July 1, 2030. (SD1)

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