
A BILL FOR AN ACT

RELATING TO TAX CREDITS.

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

1 SECTION 1. Section 235-55.85, Hawaii Revised Statutes, is
2 amended as follows:

3 "§235-55.85 Refundable food/excise tax credit. (a) Each
4 [~~resident~~] individual taxpayer[7] who files an individual income
5 tax return for a taxable year[7] and who is not claimed or is
6 not otherwise eligible to be claimed as a dependent by another
7 taxpayer for federal or Hawaii state individual income tax
8 purposes, may claim a refundable food/excise tax credit against
9 the [~~resident~~] taxpayer's individual income tax liability for
10 the taxable year for which the individual income tax return is
11 being filed; provided that [~~a resident~~] an individual who has no
12 income or no income taxable under this chapter and who is not
13 claimed or is not otherwise eligible to be claimed as a
14 dependent by a taxpayer for federal or Hawaii state individual
15 income tax purposes may claim this credit.

16 (b) Each [~~resident~~] individual taxpayer may claim a
17 refundable food/excise tax credit multiplied by the number of
18 qualified exemptions to which the taxpayer is entitled in



1 accordance with the table below; provided that a husband and
2 wife filing separate tax returns for a taxable year for which a
3 joint return could have been filed by them shall claim only the
4 tax credit to which they would have been entitled had a joint
5 return been filed.

6 Adjusted gross income	Credit per exemption
7 Under [\$5,000] \$ _____	[\$85] \$
8 [\$5,000] \$ _____ under [\$10,000] \$ _____	[75] \$
9 [\$10,000] \$ _____ under [\$15,000] \$ _____	[65] \$
10 [\$15,000] \$ _____ under [\$20,000] \$ _____	[55] \$
11 [\$20,000] \$ _____ under [\$30,000] \$ _____	[45] \$
12 [\$30,000] \$ _____ under [\$40,000] \$ _____	[35] \$
13 [\$40,000] \$ _____ under [\$50,000] \$ _____	[25] \$
14 [\$50,000] \$ _____ and over	\$

15 ~~[(c) For the purposes of this section, a qualified~~
16 ~~exemption is defined to include those exemptions permitted under~~
17 ~~this chapter; provided that no additional exemption may be~~
18 ~~claimed by a taxpayer who is sixty five years of age or older;~~
19 ~~provided that a person for whom exemption is claimed has~~
20 ~~physically resided in the State for more than nine months during~~
21 ~~the taxable year; and provided further that multiple exemptions~~
22 ~~shall not be granted because of deficiencies in vision or~~



1 ~~hearing, or other disability. For purposes of claiming this~~
2 ~~credit only, a minor child receiving support from the department~~
3 ~~of human services of the State, social security survivor's~~
4 ~~benefits, and the like, may be considered a dependent and a~~
5 ~~qualified exemption of the parent or guardian.~~

6 ~~(d)]~~ (c) The tax credit under this section shall not be
7 available to:

- 8 (1) Any person who has been convicted of a felony and who
9 has been committed to prison and has been physically
10 confined for the full taxable year;
- 11 (2) Any person who would otherwise be eligible to be
12 claimed as a dependent but who has been committed to a
13 youth correctional facility and has resided at the
14 facility for the full taxable year; or
- 15 (3) Any misdemeanor who has been committed to jail and
16 has been physically confined for the full taxable
17 year.

18 ~~[(e)]~~ (d) The tax credits claimed by a ~~[resident]~~ taxpayer
19 pursuant to this section shall be deductible from the ~~[resident]~~
20 taxpayer's individual income tax liability, if any, for the tax
21 year in which they are properly claimed. If the tax credits
22 claimed by a ~~[resident]~~ taxpayer exceed the amount of income tax



1 payment due from the [~~resident~~] taxpayer, the excess of credits
2 over payments due shall be refunded to the [~~resident~~] taxpayer;
3 provided that tax credits properly claimed by [~~a resident~~] an
4 individual who has no income tax liability shall be paid to the
5 [~~resident~~] individual; and provided further that no refunds or
6 payment on account of the tax credits allowed by this section
7 shall be made for amounts less than \$1.

8 [~~(f)~~] (e) All claims for tax credits under this section,
9 including any amended claims, shall be filed on or before the
10 end of the twelfth month following the close of the taxable year
11 for which the credits may be claimed. Failure to comply with
12 the foregoing provision shall constitute a waiver of the right
13 to claim the credit.

14 [~~(g)~~] (f) For the purposes of this section[, "~~adjusted~~]:
15 "Adjusted gross income" means adjusted gross income as
16 defined by the Internal Revenue Code.

17 "Qualified exemption" means those exemptions permitted
18 under this chapter; provided that no additional exemption may be
19 claimed by a taxpayer who is sixty-five years of age or older;
20 provided further that a person who claims such an exemption
21 shall have physically resided in the State for more than nine
22 months during the taxable year; provided further that multiple



1 exemptions shall not be granted because of deficiencies in
2 vision or hearing or other disability. For purposes of claiming
3 this credit only, a minor child receiving support from the
4 department of human services, social security survivor's
5 benefits, and the like, may be considered a dependent and a
6 qualified exemption of the child's parent or guardian."

7 SECTION 2. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 3. This Act shall take effect on July 1, 2050, and
10 shall apply to taxable years beginning after December 31, 2014.



Report Title:

Refundable Food/Excise Tax Credit

Description:

Amends the refundable food/excise tax credit, including by amending income-based credit amounts. Effective July 1, 2050.
(SB2202 HD1)

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

