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# 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, who files an individual income tax  
5 return for a taxable year, and who is not claimed or is not  
6 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 the  
10 taxable year for which the individual income tax return is being  
11 filed; provided that a resident individual who has no income or  
12 no income taxable under this chapter and who is not claimed or  
13 is not otherwise eligible to be claimed as a dependent by a  
14 taxpayer for federal or Hawaii state individual income tax  
15 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  
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 multiple exemptions shall not be granted  
21 because of deficiencies in vision or hearing or other  
22 disability. For purposes of claiming this credit only, a minor



1 child receiving support from the department of human services of  
2 the State, social security survivor's benefits, and the like,  
3 may be considered a dependent and a qualified exemption of the  
4 parent or guardian."

5 SECTION 2. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7 SECTION 3. This Act shall take effect on July 1, 2050, and  
8 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. Effective  
07/01/2050. (SD1)

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

