

JAN 23 2014

S.B. NO. 2834

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 by amending subsection (c) to read as follows:
3 "(c) For the purposes of this section, a qualified
4 exemption is defined to include those exemptions permitted under
5 this chapter; provided that ~~[no additional exemption may be~~
6 ~~claimed by a]~~ for taxable years beginning after December 31,
7 2014, each taxpayer who is sixty-five years of age or older[+]
8 may claim double the tax credit; provided that a person for whom
9 exemption is claimed has physically resided in the State for
10 more than nine months during the taxable year; and provided
11 further that multiple exemptions shall not be granted because of
12 deficiencies in vision or hearing, or other disability. For
13 purposes of claiming this credit only, a minor child receiving
14 support from the department of human services of the State,
15 social security survivor's benefits, and the like, may be
16 considered a dependent and a qualified exemption of the parent
17 or guardian."

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 Statutory material to be repealed is bracketed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

3 SECTION 3. This Act shall take effect upon its approval
4 and shall apply to taxable years beginning after December 31,
5 2014.

6
7 INTRODUCED BY: Anne Mercedes Kiri

8 BY REQUEST

Report Title:

Taxation; Refundable Food/Excise Tax Credit

Description:

Doubles the refundable food/excise tax credit amount for each taxpayer who is sixty-five years of age or older.

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JUSTIFICATION SHEET

DEPARTMENT: Office of the Governor

TITLE: A BILL FOR AN ACT RELATING TO TAX CREDITS.

PURPOSE: To provide Hawaii's elderly (each taxpayer who is sixty-five years of age or older) double the refundable food/excise tax credit amount.

MEANS: Amend sections 235-55.85, Hawaii Revised Statutes (HRS).

JUSTIFICATION: Many of Hawaii's kupuna are struggling to keep up and make ends meet. Providing double refundable food/excise tax credit amount to the elderly will provide tax relief to those who need it the most.

Impact on the public: The Department of Taxation estimates that about 110,000 elderly will benefit from this proposal.

Impact on the department and other agencies: Change in tax forms and instructions.

GENERAL FUND: Estimated revenue loss of \$7.4 million per year.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: None.

OTHER AFFECTED AGENCIES: Department of Taxation.

EFFECTIVE DATE: Upon approval.