



**GOV. MSG. NO. 1344**

EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

July 12, 2016

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Twenty-Eighth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Joseph M. Souki,  
Speaker and Members of the  
House of Representatives  
Twenty-Eighth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

This is to inform you that on July 12, 2016, the following bill was signed into law:

HB1702 HD1 SD1 CD1

RELATING TO TAXATION  
**ACT 235 (16)**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 235-55.6, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:  
3 "(a) Allowance of credit.  
4 (1) In general. For each resident taxpayer, who files an  
5 individual income tax return for a taxable year, and  
6 who is not claimed or is not otherwise eligible to be  
7 claimed as a dependent by another taxpayer for federal  
8 or Hawaii state individual income tax purposes, who  
9 maintains a household which includes as a member one  
10 or more qualifying individuals (as defined in  
11 subsection (b)(1)); there shall be allowed as a credit  
12 against the tax imposed by this chapter for the  
13 taxable year an amount equal to the applicable  
14 percentage of the employment-related expenses (as  
15 defined in subsection (b)(2)) paid by ~~such~~ the  
16 individual during the taxable year. If the tax credit  
17 claimed by a resident taxpayer exceeds the amount of  
18 income tax payment due from the resident taxpayer, the



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

9 (2) Applicable percentage [defined]. For purposes of  
 10 paragraph (1), the [~~term "applicable percentage" means~~  
 11 ~~twenty five per cent reduced (but not below fifteen~~  
 12 ~~per cent) by one percentage point of each \$2,000 (or~~  
 13 ~~fraction thereof) by which the taxpayer's adjusted~~  
 14 ~~gross income for the taxable year exceeds \$22,000.~~]  
 15 taxpayer's applicable percentage shall be determined  
 16 as follows:

<u>Adjusted gross income</u>	<u>Applicable percentage</u>
18 <u>Not over \$25,000</u>	<u>25%</u>
19 <u>Over \$25,000 but</u>	<u>24%</u>
20 <u>not over \$30,000</u>	
21 <u>Over \$30,000 but</u>	<u>23%</u>



1	<u>not over \$35,000</u>	
2	<u>Over \$35,000 but</u>	<u>22%</u>
3	<u>not over \$40,000</u>	
4	<u>Over \$40,000 but</u>	<u>21%</u>
5	<u>not over \$45,000</u>	
6	<u>Over \$45,000 but</u>	<u>20%</u>
7	<u>not over \$50,000</u>	
8	<u>Over \$50,000</u>	<u>15%"</u>

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

11 SECTION 3. This Act, upon its approval, shall apply to  
12 taxable years beginning after December 31, 2015.

APPROVED this 12 day of JUL , 2016



GOVERNOR OF THE STATE OF HAWAII

