
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 senior citizen employee
5 hires. (a) There shall be allowed to each taxpayer subject to
6 the tax imposed by this chapter, a tax credit for the hiring of
7 a senior citizen employee for a business owned by the taxpayer.
8 The tax credit shall be deductible from the taxpayer's net
9 income tax liability imposed by this chapter for the taxable
10 year in which the credit is properly claimed.
11 (b) The amount of the credit shall be equal to fifty per
12 cent of the qualified wages paid to the senior citizen employee
13 for the first six months after the senior citizen employee is
14 hired.
15 If the credit exceeds the taxpayer's income tax liability
16 in a taxable year, the remaining credit may be used as a credit
17 against the taxpayer's income tax liability in subsequent years



1 until exhausted; provided that in no taxable year shall the
2 total amount of tax credits claimed under this section exceed
3 \$_____.

4 (c) For the purposes of this section:

5 "Qualified wages" means wages attributable to work rendered
6 during the taxable year by a senior citizen employee for the
7 six-month period after the senior citizen employee is hired.

8 "Senior citizen employee" means a person sixty-five years
9 of age or older who is employed by a business but does not
10 include the owner of that business.

11 (d) A senior citizen employee shall certify, on a form
12 provided by the director, that the senior citizen employee has
13 not been employed by another business owner claiming the tax
14 credit under this section during the twenty-four months
15 immediately preceding the date of hiring of the senior citizen
16 employee for the business owned by the taxpayer. A senior
17 citizen employee who fails to so certify shall not be eligible
18 for the tax credit.

19 (e) The director of taxation:

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



1 (2) May require a taxpayer to furnish reasonable
2 information in order to ascertain the validity of a
3 claim for credit; and
4 (3) May adopt rules pursuant to chapter 91 to effectuate
5 the purposes of this section.
6 (f) Claims for the tax credit under this section,
7 including any amended claims, shall be filed on or before the
8 end of the twelfth month following the taxable year for which
9 the credit is claimed. Failure to comply with the foregoing
10 provision shall constitute a waiver of the right to claim the
11 credit."

12 SECTION 2. New statutory material is underscored.

13 SECTION 3. This Act, upon its approval, shall apply to
14 taxable years beginning after December 31, 2014.

Report Title:

Tax Credit; Senior Citizen Hires

Description:

Provides income tax credit (50% of qualified wages for first 6 months) for taxpayer who hires a person 65 years of age or older. (HB1276 HD1)

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