
A BILL FOR AN ACT

RELATING TO THE INCOME TAX CREDIT FOR LOW-INCOME HOUSEHOLD
RENTERS.

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

1 SECTION 1. Section 235-55.7, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "~~§~~235-55.7 Income tax credit for low-income household
4 renters. (a) As used in this section:

5 ~~[(1)]~~ "Adjusted gross income" is defined by section 235-1.

6 "Consumer price index" means the consumer price index for
7 all urban consumers that is published by the United States
8 Department of Labor.

9 ~~[(2)]~~ "Qualified exemption" includes those exemptions
10 permitted under this chapter; provided that a person for whom
11 exemption is claimed has physically resided in the State for
12 more than nine months during the taxable year; and provided that
13 multiple exemption shall not be granted because of deficiencies
14 in vision, hearing, or other disability.

15 ~~[(3)]~~ "Rent" means the amount paid in cash in any taxable
16 year for the occupancy of a dwelling place which is used by a



1 resident taxpayer or the resident taxpayer's immediate family as
2 the principal residence in this State. Rent is limited to the
3 amount paid for the occupancy of the dwelling place only, and is
4 exclusive of charges for utilities, parking stalls, storage of
5 goods, yard services, furniture, furnishings, and the like.
6 Rent shall not include any rental claimed as a deduction from
7 gross income or adjusted gross income for income tax purposes,
8 any ground rental paid for use of land only, and any rent
9 allowance or subsidies received.

10 (b) Each resident taxpayer who occupies and pays rent for
11 real property within the State as the resident taxpayer's
12 residence or the residence of the resident taxpayer's immediate
13 family which is not partially or wholly exempted from real
14 property tax, who is not eligible to be claimed as a dependent
15 for federal or state income taxes by another, and who files an
16 individual net income tax return for a taxable year, may claim a
17 tax credit under this section against the resident taxpayer's
18 Hawaii state individual net income tax.

19 (c) Each ~~taxpayer~~:

20 (1) Taxpayer with an adjusted gross income of less than
21 \$30,000;



- 1 (2) Each married couple filing a joint return with an
2 adjusted gross income of less than \$60,000;
- 3 (3) Each married couple filing separate returns, if a
4 joint return could have been filed with an adjusted
5 gross income of less than \$60,000;
- 6 (4) Head of a household with an adjusted gross income of
7 less than \$60,000, or
- 8 (5) Qualifying widow or widower with an adjusted gross
9 income of less than \$60,000,
- 10 who has paid more than \$1,000 in rent during the taxable year
11 for which the credit is claimed may claim a tax credit of [~~\$50~~
12 \$75 multiplied by the number of qualified exemptions to which
13 the taxpayer is entitled; provided each taxpayer sixty-five
14 years of age or over may claim double the tax credit; and
15 provided that a resident individual who has no income or no
16 income taxable under this chapter may also claim the tax credit
17 as set forth in this section.
- 18 (d) For each taxable year beginning after December 31,
19 2015, the tax credit amount specified in subsection (c) shall be
20 increased to an amount equal to the tax credit amount multiplied
21 by the quotient, if greater than one, by which the consumer



1 price index for the preceding calendar year exceeds the consumer
2 price index for the calendar year 2016.

3 ~~(d)~~ (e) If a rental unit is occupied by two or more
4 individuals, and more than one individual is able to qualify as
5 a claimant, the claim for credit shall be based upon a pro rata
6 share of the rent paid.

7 ~~(e)~~ (f) The tax credits shall be deductible from the
8 taxpayer's individual net income tax for the tax year in which
9 the credits are properly claimed; provided that a husband and
10 wife filing separate returns for a taxable year for which a
11 joint return could have been made by them shall claim only the
12 tax credits to which they would have been entitled had a joint
13 return been filed. In the event the allowed tax credits exceed
14 the amount of the income tax payments due from the taxpayer, the
15 excess of credits over payments due shall be refunded to the
16 taxpayer; provided that allowed tax credits properly claimed by
17 an individual who has no income tax liability shall be paid to
18 the individual; and provided further that no refunds or payments
19 on account of the tax credits allowed by this section shall be
20 made for amounts less than \$1.



1 ~~[(f)]~~ (g) The director of taxation shall prepare and
2 prescribe the appropriate form or forms to be used herein, may
3 require proof of the claim for tax credits, and may adopt rules
4 pursuant to chapter 91.

5 ~~[(g)]~~ (h) All of the provisions relating to assessments
6 and refunds under this chapter and under section 231-23(c)(1)
7 shall apply to the tax credits hereunder.

8 ~~[(h)]~~ (i) Claims for tax credits under this section,
9 including any amended claims thereof, shall be filed on or
10 before the end of the twelfth month following the taxable year
11 for which the credit may be claimed."

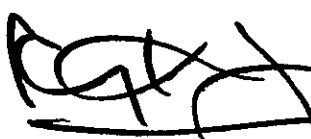



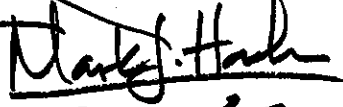




12 SECTION 2. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

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

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INTRODUCED BY: _____



H.B. NO. 1294

Report Title:

Income Tax Credit; Low-Income Household Renters

Description:

Sets a separate adjusted gross income threshold for married couples filing jointly, married couples filing separately, heads of households, and qualifying widows or widowers to qualify for the income tax credit for low-income household renters. Raises the tax credit. Annually adjusts the tax credit amount based upon increases in the consumer price index for all urban consumers.

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