H.B. NO. 1702

### A BILL FOR AN ACT

RELATING TO TAXATION.

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

SECTION 1. Section 235-55.6, Hawaii Revised Statutes, is
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 individual income tax return for a taxable year, and 5 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 individual 16 during the taxable year. If the tax credit claimed by 17 a resident taxpayer exceeds the amount of income tax

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1		payment due from the resident taxpayer	, the excess of	
2		the credit over payments due shall be	refunded to the	
3		resident taxpayer; provided that tax c	redit properly	
4		claimed by a resident individual who h	as no income tax	
5		liability shall be paid to the residen	t individual;	
6		and provided further that no refunds o	r payment on	
7		account of the tax credit allowed by t	his section	
8		shall be made for amounts less than \$1		
9	(2)	Applicable percentage [ <del>defined</del> ]. 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 e	ach \$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:		
17		Adjusted gross income Applicab	le percentage	
18		Not over \$25,000	<u>25%</u>	
19		Over \$25,000 but	24%	
20		not over \$30,000		
21		<u>Over \$30,000 but</u>	23%	



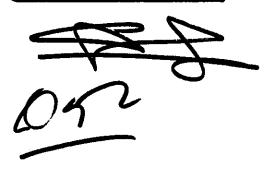
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1	not over \$35,000				
2	Over \$35,000 but	22%			
3	not_over \$40,000				
4	<u>Over \$40,000 but</u>	21%			
5	not_over \$45,000				
6	<u>Over \$45,000 but</u>	20%			
7	<u>not over \$50,000</u>				
8	<u>Over \$50,000</u>	<u>15%</u> "			
9	SECTION 2. 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.				
13					

INTRODUCED BY:

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### H.B. NO. 1702

#### Report Title:

Income Tax Credit; Expenses for Household and Dependent Care Services Necessary for Gainful Employment

#### Description:

Amends the income tax credit for expenses for household and dependent care services necessary for gainful employment by changing the manner for determining the taxpayer's applicable percentage of employment-related expenses that constitutes the tax credit.

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

