
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 235-63, Hawaii Revised Statutes, is
2 amended to read as follows:
3 "§235-63 Statements to employees[-]; earned income tax
4 credit information. (a) Every employer required to deduct and
5 withhold any tax on the wages of any employee shall furnish to
6 each employee in respect of the employee's employment during the
7 calendar year, on or before January 31 of the succeeding year,
8 or if the employee's employment is terminated before the close
9 of a calendar year, within thirty days after the date of receipt
10 of a written request from the employee if [~~such~~] the thirty-day
11 period ends before January 31, a written statement [~~7~~] showing
12 the period covered by the statement, the wages paid by the
13 employer to the employee during [~~such~~] the period, and the
14 amount of the tax deducted and withheld or paid in respect of
15 [~~such~~] the wages. Each [~~such~~] employer shall file on or before
16 the last day of February following the close of the calendar
17 year a duplicate copy of each [~~such~~] statement. The department



1 of taxation may grant to any employer a reasonable extension of
 2 time, not in excess of sixty days, with respect to any statement
 3 required by this section to be furnished to an employee or
 4 filed, and may by regulation provide for the furnishing or
 5 filing of statements at [such] other times and containing [such]
 6 other information as may be required for the administration of
 7 this chapter. The department shall prescribe the form of the
 8 statement required by this section and may adopt any federal
 9 form appropriate for the purpose.

10 (b) Every employer required to deduct and withhold any tax
 11 on the wages of any employee shall notify all employees that
 12 they may be eligible for the federal earned income tax credit,
 13 as defined in section 32 of the Internal Revenue Code, within
 14 one week before or after, or at the same time, that the employer
 15 provides a statement to an employee pursuant to subsection (a).

16 The employer shall provide the notification by handing
 17 directly to the employee or mailing to the employee's last known
 18 address either of the following:

19 (1) Instructions on how to obtain any notices available
 20 from the Internal Revenue Service for this purpose,
 21 including Internal Revenue Service Notice 797



1 (possible federal tax refund due to the earned income
 2 credit) or any successor notice; or
 3 (2) Any notice created by the employer; provided that it
 4 contains substantially the same language as the notice
 5 described in paragraph (1) or in subsection (c).

6 The employer shall not satisfy the notification requirement
 7 by posting a notice on an employee bulletin board or sending it
 8 through office mail. However, these methods of notification are
 9 encouraged to help inform all employees of the federal earned
 10 income tax credit.

11 (c) The notice furnished to employees regarding the
 12 availability of the federal earned income tax credit shall state
 13 as follows:

14 "Based on your annual earnings, you may be eligible to
 15 receive the earned income tax credit from the federal
 16 government. The earned income tax credit is a refundable
 17 federal income tax credit for low-income working individuals and
 18 families. The earned income tax credit has no effect on certain
 19 welfare benefits. In most cases, earned income tax credit
 20 payments will not be used to determine eligibility for Medicaid,
 21 supplemental security income, food stamps, low-income housing,



1 or most temporary assistance for needy families payments. Even
2 if you do not owe federal taxes, you must file a tax return to
3 receive the earned income tax credit. Be sure to fill out the
4 earned income tax credit form in the federal income tax return
5 booklet. For information regarding your eligibility to receive
6 the earned income tax credit, including information on how to
7 obtain the IRS Notice 797 or any other necessary forms and
8 instructions, contact the Internal Revenue Service at 1-800-829-
9 3676 or through its website at www.irs.gov."

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

12 SECTION 3. This Act shall take effect on July 1, 2091, and
13 apply to taxable years beginning after December 31, 2015.



Report Title:

Income Tax; Federal Earned Income Tax Credit; Notice of Eligibility

Description:

Requires employers to notify employees, when providing their annual wage summary statements, that they may be eligible to receive the federal earned income tax credit. (HB1727 HD1)

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