
A BILL FOR AN ACT

RELATING TO LONG-TERM CARE.

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- Long-term care tax credit. (a) Each individual
5 taxpayer who:
6 (1) Is subject to this chapter;
7 (2) Files an individual income tax return for a taxable
8 year; and
9 (3) Is not claimed or is not otherwise eligible to be
10 claimed as a dependent by another taxpayer for Hawaii
11 state individual income tax purposes,
12 may claim a long-term care tax credit against the taxpayer's net
13 individual income tax liability for the taxable year for which
14 the individual's income tax return is being filed; provided that
15 an individual who has no income taxable under this chapter, and
16 who is not claimed or is not otherwise eligible to be claimed as



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1 a dependent by a taxpayer for Hawaii state individual income tax
2 purposes may claim this credit.

3 (b) The tax credit shall apply to taxpayers with an
4 adjusted gross income of:

5 (1) \$ _____ or less for a taxpayer filing a single
6 return;

7 (2) \$ _____ or less for a married person filing
8 separately;

9 (3) \$ _____ or less for a taxpayer filing as a head of
10 household; or

11 (4) \$ _____ or less for a taxpayer filing a joint
12 return.

13 (c) The tax credit for an individual taxpayer, including
14 married persons filing a joint return, shall be an amount equal
15 to the lesser of the following amounts:

16 (1) \$ _____ ; or

17 (2) _____ per cent of the cost of any long-term care
18 insurance premium payments made by the individual
19 taxpayer for the taxable year in which the payments
20 were made;



1 provided that married persons filing separate tax returns for a
2 taxable year for which a joint return could have been filed
3 shall claim only the tax credit to which they would have been
4 entitled under this section had a joint return been filed.

5 For the purposes of this section, "long-term care
6 insurance" shall have the same meaning as defined in section
7 431:10H-104.

8 (d) If a deduction is taken under this chapter pursuant to
9 section 213 (with respect to medical, dental, etc., expenses) of
10 the Internal Review Code of 1986, as amended, no tax credit
11 shall be allowed for that portion of the cost of long-term care
12 insurance for which the deduction was taken.

13 (e) The tax credit applies to premium payments for a long-
14 term insurance contract that covers:

- 15 (1) The taxpayer;
16 (2) The taxpayer's dependent as defined in section 152 of
17 the Internal Revenue Code of 1986, as amended;
18 (3) The taxpayer's spouse;
19 (4) A son or daughter of the taxpayer;
20 (5) A stepson or stepdaughter of the taxpayer;
21 (6) The father or mother of the taxpayer; or



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1 (7) A stepfather or stepmother of the taxpayer.
2 (f) No refunds or payment on account of the tax credit
3 allowed by this section shall be made for amounts less than \$1.
4 (g) All claims, including any amended claims, for tax
5 credits under this section shall be filed on or before the end
6 of the twelfth month following the close of the taxable year for
7 which the credit may be claimed. Failure to comply with the
8 foregoing provision shall constitute a waiver of the right to
9 claim the credit."

10 SECTION 2. New statutory material is underscored.

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

13

INTRODUCED BY: DCM, Smith B/R

JAN 21 2015



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Report Title:

Long-term Care; Tax Credit

Description:

Provides tax credits to resident taxpayers for long-term care insurance premiums.

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