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# 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 taxpayer  
5 that files an income tax return for a taxable year may claim a  
6 non-refundable, long-term care tax credit under this section  
7 against the taxpayer's net income tax liability; provided that  
8 no long-term care tax credit shall be claimed by an individual  
9 taxpayer who is claimed or is otherwise eligible to be claimed  
10 as a dependent by another taxpayer for Hawaii state individual  
11 income tax purposes.

12           (b) The tax credit may be claimed as follows:

13           (1) For individual taxpayers, the credit shall apply to  
14 taxpayers with an adjusted gross income of:

15           (A) \$            or less for a taxpayer filing a single  
16 return;



- 1           (B) \$ \_\_\_\_\_ or less for a married taxpayer filing  
2           separately;
- 3           (C) \$ \_\_\_\_\_ or less for a taxpayer filing as a head  
4           of household; or
- 5           (D) \$ \_\_\_\_\_ or less for a married taxpayer filing a  
6           joint return; and
- 7           (2) For corporate taxpayers, the credit shall apply only  
8           to those taxpayers that are employers and that offer  
9           long-term care insurance as part of the employer's  
10           benefit plan.
- 11           (c) The tax credit shall be an amount equal to the lesser  
12           of the following amounts:
- 13           (1) \$ \_\_\_\_\_ for an individual taxpayer;
- 14           (2) \$ \_\_\_\_\_ for a corporate taxpayer; or
- 15           (3) \_\_\_\_\_ per cent of the cost of any long-term care  
16           insurance premium payments made by the taxpayer for  
17           the taxable year in which the payments were made;
- 18           provided that married individual taxpayers filing separate tax  
19           returns for a taxable year for which a joint return could have  
20           been filed shall claim only the tax credit to which they would



1 have been entitled under this section had a joint return been  
2 filed.

3 (d) The long-term care tax credit shall apply to premium  
4 payments for a long-term care insurance contract that covers an  
5 individual who is the taxpayer or who is an employee of the  
6 taxpayer, as applicable, or:

7 (1) The individual's dependent as defined in section 152  
8 of the Internal Revenue Code of 1986, as amended;

9 (2) The individual's spouse;

10 (3) A son or daughter of the individual;

11 (4) A stepson or stepdaughter of the individual;

12 (5) The father or mother of the individual; or

13 (6) A stepfather or stepmother of the individual.

14 (e) If a deduction is taken under this chapter pursuant to  
15 section 213 (with respect to medical, dental, etc., expenses) of  
16 the Internal Revenue Code of 1986, as amended, no tax credit  
17 shall be allowed for that portion of the cost of long-term care  
18 insurance for which the deduction was taken.

19 (f) For the purposes of this section, "long-term care  
20 insurance" shall have the same meaning as defined in section  
21 431:10H-104.



1        (g) All claims, including any amended claims, for tax  
2        credits under this section shall be filed on or before the end  
3        of the twelfth month following the close of the taxable year for  
4        which the credit may be claimed. Failure to comply with the  
5        foregoing provision shall constitute a waiver of the right to  
6        claim the credit."

7        SECTION 2. New statutory material is underscored.

8        SECTION 3. This Act, upon its approval, shall apply to  
9        taxable years beginning after July 1, 2050.



**Report Title:**

Long-term Care; Tax Credit

**Description:**

Provides tax credits to individual and corporate taxpayers for long-term care insurance premiums. (HB18 HD2)

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

