
A BILL FOR AN ACT

RELATING TO SECTION 235-55.91, HAWAII REVISED STATUTES.

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

1 SECTION 1. Section 235-55.91, Hawaii Revised Statutes, is
2 amended by amending subsection (e) to read as follows:

3 "(e) The following wages paid to vocational rehabilitation
4 referrals are ineligible to be claimed by the employer for this
5 credit:

6 (1) No wages shall be taken into account under this
7 section with respect to a vocational rehabilitation
8 referral who:

9 ~~[(A) Bears any of the relationships described in~~
10 ~~section 152(a)(1) to (8) of the Internal Revenue~~
11 ~~Code to the taxpayer, or, if the taxpayer is a~~
12 ~~corporation, to an individual who owns, directly~~
13 ~~or indirectly, more than fifty per cent in value~~
14 ~~of the outstanding stock of the corporation~~
15 ~~(determined with the application of section~~
16 ~~267(c) of the Internal Revenue Code);~~

17 ~~(B) If the taxpayer is an estate or trust, is a~~
18 ~~grantor, beneficiary, or fiduciary of the estate~~

H.B. NO. 967

1 ~~or trust, or is an individual who bears any of~~
2 ~~the relationships described in section 152(a) (1)~~
3 ~~to (8) of the Internal Revenue Code to a grantor,~~
4 ~~beneficiary, or fiduciary of the estate or trust,~~
5 ~~or~~

6 ~~(C) Is a dependent (described in section 152(a) (9) of~~
7 ~~the Internal Revenue Code) of the taxpayer, or,~~
8 ~~if the taxpayer is a corporation, of an~~
9 ~~individual described in subparagraph (A), or, if~~
10 ~~the taxpayer is an estate or trust, of a grantor,~~
11 ~~beneficiary, or fiduciary of the estate or~~
12 ~~trust.]~~

13 (A) Is a dependent, as described in section 152 of
14 the Internal Revenue Code, of the taxpayer;

15 (B) If the taxpayer is a corporation, is an
16 individual who owns, directly or indirectly, more
17 than fifty per cent in value of the outstanding
18 stock of the corporation (determined with the
19 application of section 267(c) of the Internal
20 Revenue Code), or is a dependent, as described
21 under section 152 of the Internal Revenue Code,
22 of such an individual; or

H. B. NO. 967

1 (C) If the taxpayer is an estate or trust, is an
2 individual who is grantor, fiduciary, or
3 beneficiary of the estate or trust, or is a
4 dependent, as described under section 152 of the
5 Internal Revenue Code, of such a grantor,
6 fiduciary, or beneficiary.

7 (2) No wages shall be taken into account under this
8 section with respect to any vocational rehabilitation
9 referral if, prior to the hiring date of the
10 individual, the individual had been employed by the
11 employer at any time during which the individual was
12 not a vocational rehabilitation referral.

13 (3) No wages shall be taken into account under this
14 section with respect to any vocational rehabilitation
15 referral unless such individual either:

16 (A) Is employed by the employer at least ninety days;
17 or

18 (B) Has completed at least one hundred-twenty hours
19 of services performed for the employer."

20 SECTION 2. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.

22
23

H . B . NO . 967

1 SECTION 3. This Act shall take effect upon its approval.

2

3

INTRODUCED BY:

A handwritten signature in black ink, appearing to be "J. M. ...", written over a horizontal line.

4

BY REQUEST

JAN 26 2015

H .B. NO. 967

Report Title:

Income Tax; Vocational Rehabilitation Referrals

Description:

Amends section 235-55.91(e), Hawaii Revised Statutes, by updating references to the Internal Revenue Code.

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

HB NO. 967

JUSTIFICATION SHEET

DEPARTMENT: Taxation

TITLE: A BILL FOR AN ACT RELATING TO SECTION 235-55.91, HAWAII REVISED STATUTES.

PURPOSE: To update section 235-55.91, Hawaii Revised Statutes (HRS), by amending references to the Internal Revenue Code that have changed.

MEANS: Amend section 235-55.91(e), HRS.

JUSTIFICATION: The Working Families Tax Relief Act of 2004, Public Law No. 108-311, moved the references to dependents cited by section 235-55.91(e) from section 152(a)(1) to (9) to section 152(a) to (d) of the Internal Revenue Code.

Impact on the public: The public should benefit from the statute referencing the correct Internal Revenue Code section.

Impact on the department and other agencies: There should be no impact as this measure merely corrects an incorrect citation and does not substantively change the law.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: None.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: Upon approval.