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# A BILL FOR AN ACT

RELATING TO THE LOW INCOME-HOUSEHOLD RENTERS CREDIT.

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

1 SECTION 1. Section 235-55.7, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "~~§~~235-55.7 Income tax credit for low-income household  
4 renters. (a) As used in this section:

5 [~~(1)~~] "Adjusted gross income" is defined by section 235-1.

6 "Consumer price index" means the consumer price index for  
7 all urban consumers published by the United States Department of  
8 Labor.

9 [~~(2)~~] "Qualified exemption" includes those exemptions  
10 permitted under this chapter; provided that a person for whom  
11 exemption is claimed has physically resided in the State for  
12 more than nine months during the taxable year; and provided that  
13 multiple exemption shall not be granted because of deficiencies  
14 in vision, hearing, or other disability. '

15 [~~(3)~~] "Rent" means the amount paid in cash in any taxable  
16 year for the occupancy of a dwelling place which is used by a  
17 resident taxpayer or the resident taxpayer's immediate family as



1 the principal residence in this State. Rent is limited to the  
2 amount paid for the occupancy of the dwelling place only, and is  
3 exclusive of charges for utilities, parking stalls, storage of  
4 goods, yard services, furniture, furnishings, and the like.  
5 Rent shall not include any rental claimed as a deduction from  
6 gross income or adjusted gross income for income tax purposes,  
7 any ground rental paid for use of land only, and any rent  
8 allowance or subsidies received.

9 (b) Each resident taxpayer who occupies and pays rent for  
10 real property within the State as the resident taxpayer's  
11 residence or the residence of the resident taxpayer's immediate  
12 family which is not partially or wholly exempted from real  
13 property tax, who is not eligible to be claimed as a dependent  
14 for federal or state income taxes by another, and who files an  
15 individual net income tax return for a taxable year, may claim a  
16 tax credit under this section against the resident taxpayer's  
17 Hawaii state individual net income tax.

18 (c) Each taxpayer with an adjusted gross income of less  
19 than [~~\$30,000~~] \$60,000 who has paid more than \$1,000 in rent  
20 during the taxable year for which the credit is claimed may  
21 claim a tax credit of [~~\$50~~] \$150 multiplied by the number of



1 qualified exemptions to which the taxpayer is entitled; provided  
2 each taxpayer sixty-five years of age or over may claim double  
3 the tax credit; and provided that a resident individual who has  
4 no income or no income taxable under this chapter may also claim  
5 the tax credit as set forth in this section.

6 (d) For each taxable year beginning after December 31,  
7 2016, each dollar amount contained in subsection (c) shall be  
8 increased by an amount equal to that dollar amount, multiplied  
9 by the percentage, if any, by which the consumer price index for  
10 the current calendar year exceeds the consumer price index for  
11 the preceding calendar year.

12 [~~d~~] (e) If a rental unit is occupied by two or more  
13 individuals, and more than one individual is able to qualify as  
14 a claimant, the claim for credit shall be based upon a pro rata  
15 share of the rent paid.

16 [~~e~~] (f) The tax credits shall be deductible from the  
17 taxpayer's individual net income tax for the tax year in which  
18 the credits are properly claimed; provided that a husband and  
19 wife filing separate returns for a taxable year for which a  
20 joint return could have been made by them shall claim only the  
21 tax credits to which they would have been entitled had a joint



1 return been filed. In the event the allowed tax credits exceed  
2 the amount of the income tax payments due from the taxpayer, the  
3 excess of credits over payments due shall be refunded to the  
4 taxpayer; provided that allowed tax credits properly claimed by  
5 an individual who has no income tax liability shall be paid to  
6 the individual; and provided further that no refunds or payments  
7 on account of the tax credits allowed by this section shall be  
8 made for amounts less than \$1.

9 [~~(f)~~] (g) The director of taxation shall prepare and  
10 prescribe the appropriate form or forms to be used herein, may  
11 require proof of the claim for tax credits, and may adopt rules  
12 pursuant to chapter 91.

13 [~~(g)~~] (h) All of the provisions relating to assessments  
14 and refunds under this chapter and under section 231-23(c)(1)  
15 shall apply to the tax credits hereunder.

16 (i) Claims for tax credits under this section, including  
17 any amended claims thereof, shall be filed on or before the end  
18 of the twelfth month following the taxable year for which the  
19 credit may be claimed."

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



# S.B. NO. 2300

1 SECTION 3. This Act, upon its approval, shall apply to  
2 taxable years beginning after December 31, 2015.

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INTRODUCED BY: Will Eyo

Randy H. Baker

Sharonne Chum Oakland

Tommy White



# S.B. NO. 2300

**Report Title:**

Income Tax Credit; Low-Income Household Renters Credit

**Description:**

Adjusts the low-income household renter's credit by increasing the maximum value of the credit amount to \$150 per qualified exemption for households, and adjusts the income threshold to allow households with an adjusted gross income of less than \$60,000 to claim the credit.

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

