
A BILL FOR AN ACT

RELATING TO TAXATION.

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- Income tax credit for senior citizen hires. (a)

5 There shall be allowed to each taxpayer subject to the tax
6 imposed by this chapter, a tax credit for the hiring of a senior
7 citizen for a business owned by the taxpayer. The tax credit
8 shall be deductible from the taxpayer's net income tax liability
9 imposed by this chapter for the taxable year in which the credit
10 is properly claimed.

11 (b) The amount of the credit shall be equal to fifty per
12 cent of the qualified wages paid to the senior citizen for the
13 first six months after the senior citizen is hired.

14 If the credit exceeds the taxpayer's income tax liability
15 in a taxable year, the remaining credit may be used as a credit
16 against the taxpayer's income tax liability in subsequent years
17 until exhausted; provided that in no taxable year shall the



1 total amount of tax credits claimed under this section exceed
2 \$ _____.

3 (c) For the purposes of this section:

4 "Qualified wages" means wages attributable to work rendered
5 during the taxable year by a senior citizen for the six-month
6 period after the senior citizen is hired.

7 "Senior citizen" means a person sixty-five years of age or
8 older.

9 (d) The director of taxation:

10 (1) Shall prepare any forms necessary to claim a credit
11 under this section;

12 (2) May require a taxpayer to furnish reasonable
13 information in order to ascertain the validity of a
14 claim for credit; and

15 (3) May adopt rules pursuant to chapter 91 to effectuate
16 the purposes of this section.

17 (e) Claims for the tax credit under this section,
18 including any amended claims, shall be filed on or before the
19 end of the twelfth month following the taxable year for which
20 the credit is claimed. Failure to comply with the foregoing



H.B. NO. 1276


1 provision shall constitute a waiver of the right to claim the
2 credit."


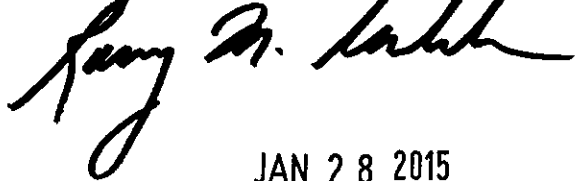
3 SECTION 2. New statutory material is underscored.

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

6

INTRODUCED BY:



JAN 28 2015



H.B. NO. 1276

Report Title:

Tax Credit; Senior Citizen Hires

Description:

Provides income tax credit (50% of qualified wages for first 6 months) for taxpayer who hires a person 65 years of age or older.

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



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To: The Honorable Derek S.K. Kawakami, Chair
and Members of the House Committee on Economic Development & Business

Date: Friday, February 6, 2015
Time: 9:20 A.M.
Place: Conference Room 312, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: H.B. 1276, Relating to Taxation

The Department of Taxation (Department) appreciates the intent of H.B. 1276 and provides the following comments for your consideration.

H.B. 1276 creates an income tax credit for businesses that hire senior citizens. The credit is to be claimed against the taxpayer's net income tax liability. The credit is effective for taxable years beginning after December 31, 2014.

The Department notes that the bill does not specify whether the tax credit can be claimed by succeeding employers of the senior citizen or by subsidiaries of the original employer, which could result in multiple tax credits being claimed for hiring of the same employee. If the intent of H.B. 1276 is to limit the credit to the first employer, the Department suggests that a provision be added to indicate this limitation.

The Department also suggests that the word "initially" is inserted on page 2, line 6 after the word "is". This amendment will preclude an employer from claiming the credit multiple times for a single employee by firing and rehiring the employee every six months.

Finally, because this measure is a new tax credit, the Department would need to create new tax forms and instructions and modify its computer system. Therefore, the Department requests that, if H.B. 1276 is adopted, the effective date is extended to taxable years beginning after December 31, 2015.

Thank you for the opportunity to provide comments.

kong2 - Brenden

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 06, 2015 9:22 AM
To: edbtestimony
Cc: carl.campagna@kamakagreen.com
Subject: *Submitted testimony for HB1276 on Feb 6, 2015 09:20AM*

HB1276

Submitted on: 2/6/2015

Testimony for EDB on Feb 6, 2015 09:20AM in Conference Room 312

LATE

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Carl | Individual | Support | No |

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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