

JAN 24 2019

A BILL FOR AN ACT

RELATING TO INCOME TAX.

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 part III to be appropriately
3 designated and to read as follows:
4 "§235- Food expenditure income tax credit. (a) Each
5 individual taxpayer who files an individual income tax return
6 for a taxable year and who is not claimed or is not otherwise
7 eligible to be claimed as a dependent by another taxpayer for
8 federal or Hawaii state individual income tax purposes may claim
9 a food expenditure tax credit of \$ against the
10 taxpayer's individual income tax liability for the taxable year
11 for which the individual income tax return is being filed.
12 (b) The amount of the credit shall be based upon the
13 taxpayer's adjusted gross income.
14 (c) The tax credit claimed by a taxpayer pursuant to this
15 section shall be deductible from the taxpayer's individual
16 income tax liability, if any, for the tax year in which the
17 credit is properly claimed. If the tax credit claimed by a



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

8 (d) All claims for a tax credit under this section,
9 including any amended claims, shall be filed on or before the
10 end of the twelfth month following the close of the taxable year
11 for which the credit may be claimed. Failure to comply with the
12 foregoing provision shall constitute a waiver of the right to
13 claim the credit.

14 (e) The director of taxation shall prepare forms as may be
15 necessary to claim a credit under this section. The director
16 may also require the taxpayer to furnish information to
17 ascertain the validity of the claim for credit made under this
18 section and may adopt rules necessary to effectuate the purposes
19 of this section pursuant to chapter 91.

20 (f) For the purposes of this section:



1 "Adjusted gross income" means adjusted gross income as
2 defined by the Internal Revenue Code.

3 "Alcoholic beverages" means beverages that are suitable for
4 human consumption and contain one-half of one per cent or more
5 alcohol by volume.

6 "Dietary supplement" means any product, other than tobacco,
7 intended to supplement the diet that:

8 (1) Contains one or more of the following dietary
9 ingredients:

10 (A) A vitamin;

11 (B) A mineral;

12 (C) An herb or other botanical element;

13 (D) An amino acid; or

14 (E) A dietary substance for use by humans to
15 supplement a person's diet by increasing the
16 total dietary intake; or a concentrate,
17 metabolite, constituent, extract, or combination
18 of any ingredient described in this definition;

19 (2) Is intended for ingestion in tablet, capsule, powder,
20 softgel, gelcap, or liquid form, or if not intended
21 for ingestion in such form, is not represented as



1 conventional food and is not represented for use as a
2 sole item of a meal or of a diet; and

3 (3) Is required to be labeled as a dietary supplement,
4 identifiable by the "supplement facts" box found on
5 the label as required pursuant to title 21 Code of
6 Federal Regulations section 101.36, as amended or
7 renumbered.

8 "Food" or "food ingredients" means substances, whether in
9 liquid, concentrated, solid, frozen, dried, or dehydrated form,
10 that are sold for ingestion or chewing by humans and are
11 consumed for their taste or nutritional value. Food or food
12 ingredients does not include food or food ingredients sold from
13 a vending machine, whether cold or hot, alcoholic beverages,
14 dietary supplements, prepared food, or tobacco.

15 "Prepared food" means:

- 16 (1) Food sold in a heated state or heated by the seller;
17 (2) Food sold with eating utensils provided by the seller,
18 including plates, bowls, chopsticks, knives, forks,
19 spoons, glasses, cups, napkins, or straws. A plate
20 does not include a container or packaging used
21 exclusively to transport the food; or



1 (3) Two or more food ingredients mixed or combined by the
2 seller for sale as a single item, except:

3 (A) Food that is only cut, repackaged, or pasteurized
4 by the seller; or

5 (B) Raw eggs, fish, meat, poultry, or foods
6 containing these raw animal foods requiring
7 cooking by the consumer as recommended by the
8 federal Food and Drug Administration in chapter
9 3, part 401.11 of the Food Code, published by the
10 Food and Drug Administration, as amended or
11 renumbered, to prevent foodborne illness.

12 Prepared food does not include food sold in an unheated state by
13 weight or volume as a single item or bakery items, such as
14 bread, rolls, buns, biscuits, bagels, croissants, pastries,
15 donuts, Danish, cakes, tortes, pies, tarts, muffins, bars,
16 cookies, or tortillas.

17 "Qualified food expenditure" means costs incurred for the
18 purchase of food or food ingredients.

19 "Tobacco" includes cigarettes, cigars, chewing or pipe
20 tobacco, or any other item that contains tobacco."

21 SECTION 2. New statutory material is underscored.

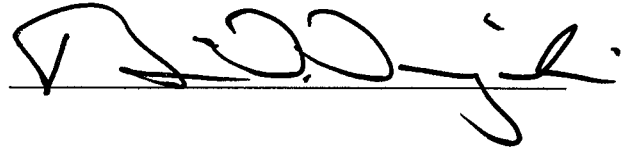


S.B. NO. 1473

1 SECTION 3. This Act, upon its approval, shall apply to
2 taxable years beginning after December 31, 2018.

3

INTRODUCED BY:

A handwritten signature in black ink, appearing to be "V. R. Jones", is written over a horizontal line.

S.B. NO. 1473

Report Title:

Food Expenditure Income Tax Credit

Description:

Establishes the food expenditure income tax credit.

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

