
A BILL FOR AN ACT

RELATING TO THE GENERAL FUND BALANCE.

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

1 SECTION 1. The legislature finds that article VII, section
2 6, of the Hawaii Constitution requires the legislature to
3 dispose of excess general fund revenues when certain factors are
4 met, as follows:

5 " (1) Provide for a tax refund or tax credit to the
6 taxpayers of the State, as provided by law;

7 (2) Make a deposit into one or more funds, as provided by
8 law, which shall serve as temporary supplemental
9 sources of funding for the State in times of an
10 emergency, economic downturn, or unforeseen reduction
11 in revenue, as provided by law; or

12 (3) Appropriate general funds for the pre-payment of
13 either or both of the following, as provided by law:

14 (A) Debt service for general obligation bonds issued
15 by the State; or

16 (B) Pension or other post-employment benefit
17 liabilities accrued for state employees."



1 The legislature finds that the necessary factors have been
2 met for the second year in a row and that the legislature is
3 constitutionally required to dispose of excess tax revenues, as
4 authorized under article VII, section 6, of the Hawaii
5 Constitution.

6 Accordingly, the purpose of this Act is to implement
7 article VII, section 6, of the Hawaii Constitution, by:

- 8 (1) Providing for an income tax credit of \$1, multiplied
9 by the number of the taxpayer's qualified exemptions,
10 to every resident individual taxpayer of the State to
11 satisfy constitutionally mandated requirements;
- 12 (2) Making a deposit of \$1 into the emergency and budget
13 reserve fund established under section 328L-3, Hawaii
14 Revised Statutes; or
- 15 (3) Making a deposit of \$1 into the other post-employment
16 benefits trust fund established under section 87A-42,
17 Hawaii Revised Statutes.

18 SECTION 2. (a) There shall be allowed each resident
19 individual taxpayer who files an individual income tax return
20 for the taxable year 2019 and who is not claimed or is not
21 otherwise eligible to be claimed as a dependent by another



1 taxpayer for federal or Hawaii state individual income tax
2 purposes, a general income tax credit of \$1, which shall be
3 deducted from income tax liability computed under chapter 235,
4 Hawaii Revised Statutes; provided that a resident individual who
5 has no income or no income taxable under chapter 235, Hawaii
6 Revised Statutes, 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 this credit.

10 (b) Each resident individual taxpayer may claim the
11 general income tax credit multiplied by the number of qualified
12 exemptions to which the taxpayer is entitled.

13 (c) Each person for whom the general income tax credit is
14 claimed shall have been a resident of the State, as defined in
15 section 235-1, Hawaii Revised Statutes, for at least nine months
16 regardless of whether the qualified resident was physically in
17 the State for nine months. Multiple exemptions shall not be
18 granted for the general income tax credit because of age or
19 deficiencies in vision, hearing, or other disability.

20 (d) The general income tax credit shall not be available
21 to:



1 (1) Any person who has been convicted of a felony and who
2 has been committed to prison and has been physically
3 confined for the full taxable year;

4 (2) Any person who would otherwise be eligible to be
5 claimed as a dependent but who has been committed to a
6 youth correctional facility and has resided at the
7 facility for the full taxable year; or

8 (3) Any misdemeanor who has been committed to jail and
9 has been physically confined for the full taxable
10 year.

11 (e) The tax credit claimed by a resident taxpayer pursuant
12 to this section shall be deductible from the resident taxpayer's
13 individual income tax liability for the taxable year 2019. If
14 the tax credit claimed by a resident taxpayer exceeds the amount
15 of income tax payment due from the resident taxpayer, the excess
16 of credits over payments due shall be refunded to the resident
17 taxpayer; provided that a tax credit properly claimed by a
18 resident individual who has no income tax liability shall be
19 paid to the resident individual.

20 (f) All claims for tax credits under this section,
21 including any amended claims, shall be filed on or before the



1 end of the twelfth month following the close of the taxable year
2 for which the credits may be claimed. Failure to comply with
3 this filing requirement shall constitute a waiver of the right
4 to claim the credit.

5 SECTION 3. In accordance with article VII, section 6, of
6 the Hawaii Constitution, there is appropriated out of the
7 general revenues of the State of Hawaii the sum of \$1 or so much
8 thereof as may be necessary for fiscal year 2019-2020 for
9 deposit into the emergency and budget reserve fund established
10 under section 328L-3, Hawaii Revised Statutes.

11 SECTION 4. In accordance with article VII, section 6, of
12 the Hawaii Constitution, there is appropriated out of the
13 general revenues of the State of Hawaii the sum of \$1 or so much
14 thereof as may be necessary for fiscal year 2019-2020 for
15 deposit into the other post-employment benefits trust fund
16 established under section 87A-42, Hawaii Revised Statutes.

17 SECTION 5. This Act shall take effect on July 1, 2050.



Report Title:

Mandatory Tax Credit; Emergency and Budget Reserve Fund; Other Post-Employment Benefits Trust Fund; Constitution; Appropriations

Description:

Provides a tax credit to taxpayers and makes deposits to the emergency and budget reserve fund and other post-employment benefits trust fund pursuant to article VII, section 6, of the Hawaii Constitution. Makes appropriations. (SB494 HD1)

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

