
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The legislature finds that due to an increase
2 in the frequency and intensity of natural disasters, it is
3 important for Hawaii residents to obtain adequate emergency
4 supplies to sustain themselves during a disaster. The
5 legislature also recognizes that the cost of obtaining emergency
6 supplies may be a financial burden to Hawaii residents, who
7 already face a high cost of living. Accordingly, the
8 legislature believes that it is imperative to offer incentives
9 for residents to take disaster preparedness action and to help
10 families that may not be able to afford a disaster preparedness
11 kit to acquire one.

12 The purpose of this Act is to establish a disaster
13 preparedness supplies income tax credit that shall be deductible
14 from each qualifying taxpayer's net income tax liability.

15 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
16 amended by adding a new section to part I to be appropriately
17 designated and to read as follows:



1 "§235- Disaster preparedness supplies income tax
2 credit. (a) There shall be allowed to each taxpayer subject to
3 the tax imposed under this chapter, a disaster preparedness
4 supplies income tax credit that shall be deductible from the
5 taxpayer's net income tax liability, if any, imposed by this
6 chapter for the taxable year in which the credit is properly
7 claimed. Each taxpayer may claim the income tax credit only
8 once before January 1, 2026.

9 (b) The disaster preparedness supplies income tax credit
10 shall be equal to _____ per cent of the qualified expenses of
11 the taxpayer, up to a maximum of \$500.

12 (c) The director of taxation:

13 (1) Shall prepare any forms necessary to claim a tax
14 credit under this section;

15 (2) May require the taxpayer to furnish reasonable
16 information to ascertain the validity of the claim for
17 the tax credit made under this section; and

18 (3) May adopt rules under chapter 91 necessary to
19 effectuate the purposes of this section.

20 (d) If the tax credit under this section exceeds the
21 taxpayer's income tax liability, the excess of the credit over



1 liability may be used as a credit against the taxpayer's income
2 tax liability in subsequent years until exhausted. All claims
3 for the tax credit under this section, including amended claims,
4 shall be filed on or before the end of the twelfth month
5 following the close of the taxable year for which the credit may
6 be claimed. Failure to comply with the foregoing provision
7 shall constitute a waiver of the right to claim the credit.

8 (e) As used in this section:

9 "Disaster" means any emergency, or imminent threat thereof,
10 which results or may likely result in substantial injury, harm,
11 or loss of life among the general population or substantial
12 damage to or loss of property of the general population,
13 including fire, flood, tsunami, volcanic eruption, earthquake,
14 high wind, or other natural causes or by enemy attack, sabotage,
15 or other hostile action.

16 "Prepackaged disaster preparedness kit" means a
17 comprehensive supply of nonperishable food, water, or other
18 necessary supplies intended for use in the event of a disaster,
19 manufactured and sold as a kit.

20 "Qualified expenses" means costs that are directly incurred
21 by the taxpayer to purchase one or more prepackaged disaster



1 preparedness kits for the taxpayer and, if applicable, the
 2 taxpayer's household; provided that the aggregate contents of
 3 the kit or kits do not exceed the amount of supplies necessary
 4 to provide the taxpayer and the taxpayer's household a _____ -day
 5 supply of those contents."

6 SECTION 3. New statutory material is underscored.

7 SECTION 4. This Act, upon its approval, shall apply to
 8 taxable years beginning after December 31, 2018.
 9

INTRODUCED BY:

<u><i>Stanley Mei</i></u>	<u><i>Lisa Sitagawa</i></u>
<u><i>[Signature]</i></u>	<u><i>Guyon Takayama</i></u>
<u><i>[Signature]</i></u>	<u><i>James S. King</i></u>
<u><i>[Signature]</i></u>	<u><i>[Signature]</i></u>
<u><i>[Signature]</i></u>	<u><i>Pat Kelly</i></u>
<u><i>Carl Lee</i></u>	<u><i>James J. [Signature]</i></u>
<u><i>[Signature]</i></u>	<u><i>Tim Willinger</i></u>
<u><i>Fabrizio [Signature]</i></u>	<u><i>Amy Permas</i></u>

JAN 22 2019



H.B. NO. 732

Report Title:

Income Tax Credit; Disaster Preparedness Supplies

Description:

Establishes an income tax credit for the purchase of household disaster preparedness supplies.

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

