

JAN 18 2019

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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1           SECTION 1. Section 235-55.75, Hawaii Revised Statutes, is  
2 amended as follows:

3           1. By amending subsection (a) to read:

4           "(a) Each qualifying individual taxpayer may claim a  
5 [~~nonrefundable~~] refundable earned income tax credit. The tax  
6 credit, for the appropriate taxable year, shall be twenty per  
7 cent of the federal earned income tax credit allowed and  
8 properly claimed under section 32 of the Internal Revenue Code  
9 and reported as such on the individual's federal income tax  
10 return."

11           2. By amending subsection (d) to read:

12           "(d) The credit allowed under this section shall be  
13 claimed against the net income tax liability for the taxable  
14 year. If the tax credit under this section exceeds the  
15 taxpayer's income tax liability, the excess of the tax credit  
16 over liability [~~may be used as a credit against the taxpayer's~~  
17 ~~net income tax liability in subsequent years until exhausted.~~]



# S.B. NO. 1052

1 shall be refunded to the taxpayer; provided that no refunds or  
 2 payment on account of the tax credit allowed by this section  
 3 shall be made for amounts less than \$1. The amount of the tax  
 4 credit properly claimed by a taxpayer who has no income tax  
 5 liability shall be paid to the taxpayer. All claims, including  
 6 amended claims, for a tax credit under this section shall be  
 7 filed on or before the end of the twelfth month following the  
 8 close of the taxable year for which the credit may be claimed.  
 9 Failure to comply with the foregoing provision shall constitute  
 10 a waiver of the right to claim the credit."

11 SECTION 2. Statutory material to be repealed is bracketed  
 12 and stricken. New statutory material is underscored.

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

15 INTRODUCED BY:

*[Handwritten signatures and names]*

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# S.B. NO. 1052

**Report Title:**

Earned Income Tax Credit; Refundable

**Description:**

Converts the earned income tax credit from a nonrefundable to a refundable 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.*

