

JAN 17 2020

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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. 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-           Child care resource and referral contribution

5 tax credit. (a) There shall be allowed to each taxpayer  
6 subject to the taxes imposed by this chapter, an income tax  
7 credit that shall be deductible from the taxpayer's net income  
8 tax liability, if any, imposed by this chapter for the taxable  
9 year in which the credit is properly claimed.

10           (b) The amount of the credit shall be fifty per cent of  
11 the amount of the monetary contribution the taxpayer makes to a  
12 child care resource agency or child care referral agency in the  
13 State.

14           (c) If the tax credit claimed by the taxpayer exceeds the  
15 amount of income tax payment due from the taxpayer, the excess  
16 of the credit over payments due shall be refunded to the  
17 taxpayer; provided that a tax credit under this section properly



1 claimed by an individual who has no income tax liability shall  
2 be paid to the taxpayer; and provided further that no refunds or  
3 payment on account of the tax credit allowed by this section  
4 shall be made for amounts less than \$1.

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

11 (e) No other tax credit or deduction shall be claimed  
12 under this chapter for the certain expenses used to claim a tax  
13 credit under this section for the taxable year.

14 (f) A taxpayer shall not be eligible to claim a tax credit  
15 under this section if the taxpayer is claiming a credit under  
16 section 235-55.6 in the same taxable year.

17 (g) The director of taxation:

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

20 (2) Shall work with the department of human services to  
21 develop a process to certify whether an agency





# S.B. NO. 2288

**Report Title:**

Taxation; Refundable Tax Credit; Child Care Resource Agencies;  
Child Care Referral Agencies

**Description:**

Establishes a child care resource and referral contribution refundable tax credit that is equal to 50% of the amount of the monetary contribution the taxpayer makes to a child care resource agency or child care referral agency in the State. Prohibits a taxpayer from claiming both the child care contribution tax credit and the credit for employment-related expenses for household and dependent care services under section 235-55.6, HRS. Applies to taxable years beginning after December 31, 2019.

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

