

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

11 (b) The amount of the credit shall be an amount equal to  
12 the average monthly number of children who attend a child care  
13 facility operated by the child care facility provider,  
14 multiplied by \$ \_\_\_\_\_.

15 (c) If the tax credit claimed by the taxpayer exceeds the  
16 amount of income tax payment due from the taxpayer, the excess  
17 of the credit over payments due shall be refunded to the



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

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

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

15 (f) The director of taxation:

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

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



1        (3) May adopt rules, pursuant to chapter 91, to effectuate  
2                this section.

3        (g) As used in this section:


4        "Child care facility" means a licensed child care facility  
5 as defined under section 346-151.

6        "Child care facility provider" means a taxpayer who is  
7 issued a license or certificate of registration by the  
8 department of human services to provide care in a child care  
9 facility."

10        SECTION 2. New statutory material is underscored.

11        SECTION 3. This Act, upon its approval, shall apply to  
12 taxable years beginning after December 31, 2019.

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INTRODUCED BY: 



# S.B. NO. 2292

**Report Title:**

Taxation; Refundable Tax Credit; Child Care Facility Operators

**Description:**

Establishes a refundable tax credit equal to the average monthly number of children who attend a child care facility operated by a taxpayer, multiplied by an unspecified sum. 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.*

