

JAN 17 2020

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 235-55.6, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:
3 "(a) Allowance of credit.
4 (1) In general. For each resident taxpayer, who files an
5 individual income tax return for a taxable year, and
6 who is not claimed or is not otherwise eligible to be
7 claimed as a dependent by another taxpayer for federal
8 or Hawaii state individual income tax purposes, who
9 maintains a household which includes as a member one
10 or more qualifying individuals (as defined in
11 subsection (b)(1)), there shall be allowed as a credit
12 against the tax imposed by this chapter for the
13 taxable year an amount equal to the applicable
14 percentage of the employment-related expenses (as
15 defined in subsection (b)(2)) paid by the individual
16 during the taxable year. If the tax credit claimed by
17 a resident taxpayer exceeds the amount of income tax



1 payment due from the resident taxpayer, the excess of
 2 the credit over payments due shall be refunded to the
 3 resident taxpayer; provided that tax credit properly
 4 claimed by a resident individual who has no income tax
 5 liability shall be paid to the resident individual;
 6 and provided further that no refunds or payment on
 7 account of the tax credit allowed by this section
 8 shall be made for amounts less than \$1.

9 (2) Applicable percentage. For purposes of paragraph (1),
 10 the taxpayer's applicable percentage shall be
 11 determined as follows:

	Adjusted gross income	Applicable percentage
14	Not over [\$25,000] <u>\$45,000</u>	25%
15	Over [\$25,000] <u>\$45,000</u> but	24%
16	not over [\$30,000] <u>\$50,000</u>	
17	Over [\$30,000] <u>\$50,000</u> but	23%
18	not over [\$35,000] <u>\$55,000</u>	
19	Over [\$35,000] <u>\$55,000</u> but	22%
20	not over [\$40,000] <u>\$60,000</u>	
21	Over [\$40,000] <u>\$60,000</u> but	21%



S.B. NO. 2294

1 not over [~~\$45,000~~] \$65,000
 2 Over [~~\$45,000~~] \$65,000 but 20%
 3 not over [~~\$50,000~~] \$70,000
 4 Over [~~\$50,000~~] \$70,000 15%."

5 SECTION 2. Statutory material to be repealed is bracketed
 6 and stricken. New statutory material is underscored.

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

9

INTRODUCED BY:

[Handwritten signature]
[Handwritten signature]
[Handwritten signature]
[Handwritten signature]



S.B. NO. 2294

Report Title:

Taxation; Tax Credit; Expenses for Household and Dependent Care Services Necessary for Gainful Employment

Description:

Amends the income brackets of the tax credit for expenses for household and dependent care services necessary for gainful employment.

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

