
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:

13	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%



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 Statutory material to be repealed is bracketed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 shall take effect on July 1, 2050, and
8 shall apply to taxable years beginning after December 31, 2019.



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. Effective 7/1/2050. (SD1)

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