

JAN 17 2020

A BILL FOR AN ACT

RELATING TO THE LOW-INCOME HOUSEHOLD RENTERS CREDIT.

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

1 SECTION 1. Section 235-55.7, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§235-55.7 Income tax credit for low-income household
4 renters. (a) As used in this section:

5 [~~1~~] "Adjusted gross income" is defined by section 235-1.

6 "Consumer price index" means the urban Hawaii consumer
7 price index for all urban consumers published by the United
8 States Department of Labor or a successor index.

9 [~~2~~] "Qualified exemption" includes those exemptions
10 permitted under this chapter; provided that a person for whom
11 exemption is claimed has physically resided in the State for
12 more than nine months during the taxable year; [~~and~~] provided
13 further that multiple exemption shall not be granted because of
14 deficiencies in vision, hearing, or other disability.

15 [~~3~~] "Rent" means the amount paid in cash in any taxable
16 year for the occupancy of a dwelling place [~~which~~] that is used
17 by a resident taxpayer or the resident taxpayer's immediate



1 family as the principal residence in this State. Rent is
2 limited to the amount paid for the occupancy of the dwelling
3 place only, and is exclusive of charges for utilities, parking
4 stalls, storage of goods, yard services, furniture, furnishings,
5 and the like. Rent shall not include any rental claimed as a
6 deduction from gross income or adjusted gross income for income
7 tax purposes, any ground rental paid for use of land only, and
8 any rent allowance or subsidies received.

9 (b) Each resident taxpayer who occupies and pays rent for
10 real property within the State as the resident taxpayer's
11 residence or the residence of the resident taxpayer's immediate
12 family which is not partially or wholly exempted from real
13 property tax, who is not eligible to be claimed as a dependent
14 for federal or state income taxes by another, and who files an
15 individual net income tax return for a taxable year, may claim a
16 tax credit under this section against the resident taxpayer's
17 Hawaii state individual net income tax.

18 (c) Each taxpayer [~~with an adjusted gross income of less~~
19 ~~than \$30,000~~] who has paid more than \$1,000 in rent during the
20 taxable year for which the credit is claimed may claim a tax
21 credit [~~of \$50~~] multiplied by the number of qualified exemptions



1 to which the taxpayer is entitled[?] in accordance with the
 2 table below; provided that each taxpayer sixty-five years of age
 3 or over may claim double the tax credit; and provided further
 4 that a resident individual who has no income or no income
 5 taxable under this chapter may also claim the tax credit as set
 6 forth in this section.

<u>Adjusted gross income</u>	<u>Credit per exemption</u>
8 <u>for taxpayers filing</u>	
9 <u>a single return or married</u>	
10 <u>individuals filing</u>	
11 <u>separate returns</u>	
12 <u>Under \$20,000</u>	<u>\$150</u>
13 <u>\$20,000 under \$30,000</u>	<u>\$100</u>
14 <u>\$30,000 under \$40,000</u>	<u>\$ 50</u>
15 <u>\$40,000 and over</u>	<u>\$ 0</u>
16 <u>Adjusted gross income</u>	<u>Credit per exemption</u>
17 <u>heads of household</u>	
18 <u>Under \$30,000</u>	<u>\$150</u>
19 <u>\$30,000 under \$45,000</u>	<u>\$100</u>
20 <u>\$45,000 under \$60,000</u>	<u>\$ 50</u>
21 <u>\$60,000 and over</u>	<u>\$ 0</u>



<u>Adjusted gross income</u>	<u>Credit per exemption</u>
<u>for taxpayers filing</u>	
<u>a joint return under</u>	
<u>section 235-93 or a</u>	
<u>surviving spouse</u>	
<u>Under \$40,000</u>	<u>\$150</u>
<u>\$40,000 under \$60,000</u>	<u>\$100</u>
<u>\$60,000 under \$80,000</u>	<u>\$ 50</u>
<u>\$80,000 and over</u>	<u>\$ 0</u>

10 (d) For each taxable year beginning after December 31,
 11 2021, each dollar amount contained in the table in subsection
 12 (c) shall be increased by an amount equal to that dollar amount,
 13 multiplied by the percentage, if any, by which the consumer
 14 price index for September of the preceding calendar year exceeds
 15 the consumer price index for September of the second preceding
 16 calendar year.

17 [~~(d)~~] (e) If a rental unit is occupied by two or more
 18 individuals, and more than one individual is able to qualify as
 19 a claimant, the claim for credit shall be based upon a pro rata
 20 share of the rent paid.



1 ~~(e)~~ (f) The tax credits shall be deductible from the
2 taxpayer's individual net income tax for the tax year in which
3 the credits are properly claimed; provided that a husband and
4 wife filing separate returns for a taxable year for which a
5 joint return could have been made by them shall claim only the
6 tax credits to which they would have been entitled had a joint
7 return been filed. In the event the allowed tax credits exceed
8 the amount of the income tax payments due from the taxpayer, the
9 excess of credits over payments due shall be refunded to the
10 taxpayer; provided that allowed tax credits properly claimed by
11 an individual who has no income tax liability shall be paid to
12 the individual; and provided further that no refunds or payments
13 on account of the tax credits allowed by this section shall be
14 made for amounts less than \$1.

15 ~~(f)~~ (g) The director of taxation shall prepare and
16 prescribe the appropriate form or forms to be used herein, may
17 require proof of the claim for tax credits, and may adopt rules
18 pursuant to chapter 91.

19 ~~(g)~~ (h) All of the provisions relating to assessments
20 and refunds under this chapter and under section 231-23(c)(1)
21 shall apply to the tax credits hereunder.

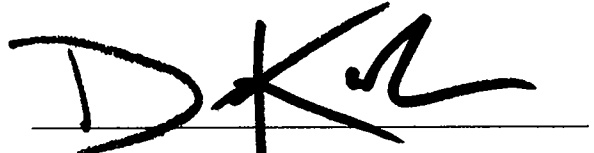


1 [~~(h)~~] (i) Claims for tax credits under this section,
 2 including any amended claims thereof, shall be filed on or
 3 before the end of the twelfth month following the taxable year
 4 for which the credit may be claimed."

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, 2020.

INTRODUCED BY:



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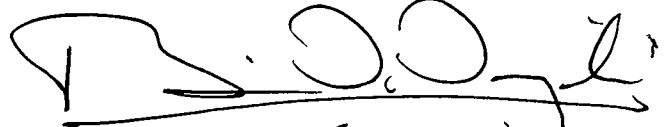


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S.B. NO. 2624

Report Title:

Tax; Income Tax Credit; Low-income; Renters

Description:

Creates income brackets for the low-income renter tax credit. Provides for adjustment of the tax credit amount based on the consumer price index.

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