

JAN 25 2023

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 as follows:

3 1. By amending subsection (a) to read:

4 "(a) Allowance of credit.

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



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

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

Adjusted gross income	Applicable percentage
[Not over \$25,000	25%
Over \$25,000 but	24%
not over \$30,000	
Over \$30,000 but	23%
not over \$35,000	
Over \$35,000 but	22%
not over \$40,000	
Over \$40,000 but	21%



1	not over \$45,000	
2	Over \$45,000 but	20%
3	not over \$50,000	
4	Over \$50,000	15%.]
5	<u>Not over \$15,000</u>	<u>35%</u>
6	<u>Over \$15,000 but</u>	<u>34%</u>
7	<u>not over \$17,000</u>	
8	<u>Over \$17,000 but</u>	<u>33%</u>
9	<u>not over \$19,000</u>	
10	<u>Over \$19,000 but</u>	<u>32%</u>
11	<u>not over \$21,000</u>	
12	<u>Over \$21,000 but</u>	<u>31%</u>
13	<u>not over \$23,000</u>	
14	<u>Over \$23,000 but</u>	<u>30%</u>
15	<u>not over \$25,000</u>	
16	<u>Over \$25,000 but</u>	<u>29%</u>
17	<u>not over \$27,000</u>	
18	<u>Over \$27,000 but</u>	<u>28%</u>
19	<u>not over \$29,000</u>	
20	<u>Over \$29,000 but</u>	<u>27%</u>
21	<u>not over \$31,000</u>	



1	<u>Over \$31,000 but</u>	<u>26%</u>
2	<u>not over \$33,000</u>	
3	<u>Over \$33,000 but</u>	<u>25%</u>
4	<u>not over \$35,000</u>	
5	<u>Over \$35,000 but</u>	<u>24%</u>
6	<u>not over \$37,000</u>	
7	<u>Over \$37,000 but</u>	<u>23%</u>
8	<u>not over \$39,000</u>	
9	<u>Over \$39,000 but</u>	<u>22%</u>
10	<u>not over \$41,000</u>	
11	<u>Over \$41,000 but</u>	<u>21%</u>
12	<u>not over \$43,000</u>	
13	<u>Over \$43,000</u>	<u>20%."</u>

14 2. By amending subsection (c) to read:

15 "(c) Dollar limit on amount creditable. The amount of the
16 employment-related expenses incurred during any taxable year,
17 which may be taken into account under subsection (a) shall not
18 exceed:

19 (1) [~~\$2,400~~] \$3,000 if there is one qualifying individual
20 with respect to the taxpayer for such taxable year, or



1 (2) ~~[\$4,800]~~ \$6,000 if there are two or more qualifying
2 individuals with respect to the taxpayer for such
3 taxable year.

4 The amount determined under paragraph (1) or (2) (whichever is
5 applicable) shall be reduced by the aggregate amount excludable
6 from gross income under section 129 (with respect to dependent
7 care assistance programs) of the Internal Revenue Code for the
8 taxable year."

9 SECTION 2. Section 235-55.7, Hawaii Revised Statutes, is
10 amended by amending subsection (c) to read as follows:

11 "(c) Each taxpayer with an adjusted gross income of less
12 than \$30,000 who has paid more than \$1,000 in rent during the
13 taxable year for which the credit is claimed may claim a tax
14 credit of ~~[\$50]~~ \$100 multiplied by the number of qualified
15 exemptions to which the taxpayer is entitled; provided that each
16 taxpayer sixty-five years of age or over may claim double the
17 tax credit; ~~[and]~~ provided further that a resident individual
18 who has no income or no income taxable under this chapter may
19 also claim the tax credit as set forth in this section."

20 SECTION 3. Section 235-55.85, Hawaii Revised Statutes, is
21 amended by amending subsection (b) to read as follows:



1 "(b) Each individual taxpayer may claim a refundable
 2 food/excise tax credit multiplied by the number of qualified
 3 exemptions to which the taxpayer is entitled in accordance with
 4 the table below; provided that a husband and wife filing
 5 separate tax returns for a taxable year for which a joint return
 6 could have been filed by them shall claim only the tax credit to
 7 which they would have been entitled had a joint return been
 8 filed.

9 Adjusted gross income 10 for taxpayers filing 11 a single return	Credit per exemption
12 Under \$5,000	[\$110] <u>\$220</u>
13 \$5,000 under \$10,000	[\$100] <u>\$200</u>
14 \$10,000 under \$15,000	[\$85] <u>\$170</u>
15 \$15,000 under \$20,000	[\$70] <u>\$140</u>
16 \$20,000 under \$30,000	[\$55] <u>\$110</u>
17 \$30,000 and over	\$ 0.

18 Adjusted gross income Credit per exemption
 19 for heads of household,
 20 married individuals filing
 21 separate returns, and



1	married couples filing		
2	joint returns		
3	Under \$5,000	[\$110]	<u>\$220</u>
4	\$5,000 under \$10,000	[\$100]	<u>\$200</u>
5	\$10,000 under \$15,000	[\$85]	<u>\$170</u>
6	\$15,000 under \$20,000	[\$70]	<u>\$140</u>
7	\$20,000 under \$30,000	[\$55]	<u>\$110</u>
8	\$30,000 under \$40,000	[\$45]	<u>\$ 90</u>
9	\$40,000 under \$50,000	[\$35]	<u>\$ 70</u>
10	\$50,000 and over		\$ 0."

11 SECTION 4. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 5. This Act, upon its approval, shall apply to
14 taxable years beginning after December 31, 2022.

15

INTRODUCED BY: 



S.B. NO. 1445

Report Title:

Income Tax Credits; Household and Dependent Care; Expenses; Low-Income Household Renters; Refundable Food/Excise Tax; Increases

Description:

Conforms the amount allowable for the Hawaii expenses for household and dependent care services necessary for gainful employment tax credit to the credit amounts allowed in the federal tax code. Increases the low-income household renters' income tax credit and refundable food/excise tax credit. Applies to taxable years beginning after 12/31/2022.

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

