

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



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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%



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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



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Report Title:

Income Tax; Household and Dependent Care; Expenses; Credit

Description:

Conforms the amount allowable for the Hawaii expenses for household and dependent care services necessary for the gainful employment tax credit to the credit amounts allowed in the federal tax code. Applies to taxable years beginning after 12/31/22.

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

