
A BILL FOR AN ACT

RELATING TO INCOME TAX.

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

13 [~~(3)~~] "Rent" means the amount paid in cash in any taxable
14 year for the occupancy of a dwelling place [~~which~~]
15 that is used by a resident taxpayer or the resident
16 taxpayer's immediate family as the principal residence
17 in this State. Rent is limited to the amount paid for



1 the occupancy of the dwelling place only, and is
2 exclusive of charges for utilities, parking stalls,
3 storage of goods, yard services, furniture,
4 furnishings, and the like. Rent shall not include any
5 rental claimed as a deduction from gross income or
6 adjusted gross income for income tax purposes, any
7 ground rental paid for use of land only, and any rent
8 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~~] that is not partially or wholly exempted from
13 real property tax, who is not eligible to be claimed as a
14 dependent for federal or state income taxes by another, and who
15 files an individual net income tax return for a taxable year,
16 may claim a tax credit under this section against the resident
17 taxpayer's 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~~] based on the taxpayer's adjusted gross income,



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

8 (1) Taxpayer filing a single return or a married
 9 individual filing separately:

10	<u>Adjusted gross income</u>	<u>Credit per exemption</u>
11	<u>Under \$20,000</u>	<u>\$300</u>
12	<u>\$20,000 under \$30,000</u>	<u>\$250</u>
13	<u>\$30,000 under \$50,000</u>	<u>\$200</u>
14	<u>\$50,000 and over</u>	<u>\$ 0.</u>

15 (2) Taxpayer filing as a head of household:

16	<u>Adjusted gross income</u>	<u>Credit per exemption</u>
17	<u>Under \$30,000</u>	<u>\$300</u>
18	<u>\$30,000 under \$45,000</u>	<u>\$250</u>
19	<u>\$45,000 under \$70,000</u>	<u>\$200</u>
20	<u>\$70,000 and over</u>	<u>\$ 0.</u>



1 (3) Taxpayer filing a joint return or as a surviving
 2 spouse:

3 <u>Adjusted gross income</u>	<u>Credit per exemption</u>
4 <u>Under \$40,000</u>	<u>\$300</u>
5 <u>\$40,000 under \$60,000</u>	<u>\$250</u>
6 <u>\$60,000 under \$100,000</u>	<u>\$200</u>
7 <u>\$100,000 and over</u>	<u>\$ 0.</u>

8 (d) If a rental unit is occupied by two or more
 9 individuals, and more than one individual is able to qualify as
 10 a claimant, the claim for credit shall be based upon a pro rata
 11 share of the rent paid.

12 (e) The tax credits shall be deductible from the
 13 taxpayer's individual net income tax for the tax year in which
 14 the credits are properly claimed; provided that [~~a husband and~~
 15 ~~wife~~] married individuals filing separate returns for a taxable
 16 year for which a joint return could have been made by them shall
 17 claim only the tax credits to which they would have been
 18 entitled had a joint return been filed. In the event the
 19 allowed tax credits exceed the amount of the income tax payments
 20 due from the taxpayer, the excess of credits over payments due
 21 shall be refunded to the taxpayer; provided that allowed tax



1 credits properly claimed by an individual who has no income tax
2 liability shall be paid to the individual; [~~and~~] provided
3 further that no refunds or payments on account of the tax
4 credits allowed by this section shall be made for amounts less
5 than \$1.

6 (f) The director of taxation shall prepare and prescribe
7 the appropriate form or forms to be used herein, may require
8 proof of the claim for tax credits, and may adopt rules pursuant
9 to chapter 91.

10 (g) All of the provisions relating to assessments and
11 refunds under this chapter and under section 231-23(c)(1) shall
12 apply to the tax credits hereunder.

13 (h) Claims for tax credits under this section, including
14 any amended claims thereof, shall be filed on or before the end
15 of the twelfth month following the taxable year for which the
16 credit may be claimed."

17 SECTION 2. Section 235-55.75, Hawaii Revised Statutes, is
18 amended by amending subsection (a) to read as follows:

19 "(a) Each qualifying individual taxpayer may claim a
20 refundable earned income tax credit. The tax credit, for the
21 appropriate taxable year, shall be [~~forty~~] forty-five per cent



1 of the federal earned income tax credit allowed and properly
2 claimed under section 32 of the Internal Revenue Code and
3 reported as such on the individual's federal income tax return."

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

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

Adjusted gross income	Credit per exemption
for taxpayers filing	
a single return	
Under \$15,000	[\$220] <u>\$320</u>
\$15,000 under \$20,000	[\$200] <u>\$300</u>
\$20,000 under \$25,000	[\$170] <u>\$270</u>
\$25,000 under \$30,000	[\$140] <u>\$240</u>
\$30,000 under [\$40,000] <u>\$50,000</u>	[\$110] <u>\$220</u>
[\$40,000] <u>\$50,000</u> and over	\$ 0.



1	Adjusted gross income	Credit per exemption
2	for heads of household,	
3	surviving spouses,	
4	spouses filing	
5	separate returns, and	
6	married couples filing	
7	joint returns	
8	Under \$15,000	[\$220] <u>\$320</u>
9	\$15,000 under \$20,000	[\$200] <u>\$300</u>
10	\$20,000 under \$25,000	[\$170] <u>\$270</u>
11	\$25,000 under \$30,000	[\$140] <u>\$240</u>
12	\$30,000 under \$40,000	[\$110] <u>\$210</u>
13	\$40,000 under \$50,000	[\$ 90] <u>\$190</u>
14	\$50,000 under [\$60,000] <u>\$70,000</u>	[\$ 70] <u>\$170</u>
15	[\$60,000] <u>\$70,000</u> and over	\$ 0."

16 SECTION 4. Act 163, Session Laws of Hawaii 2023, is
 17 amended by amending section 5 to read as follows:

18 "SECTION 5. This Act, upon its approval, shall apply to
 19 taxable years beginning after December 31, 2022; provided that
 20 on December 31, 2027, section 1 of this Act shall be repealed
 21 and ~~[sections]~~ section 235-55.6(c), ~~[235-55.75(a), and 235-~~



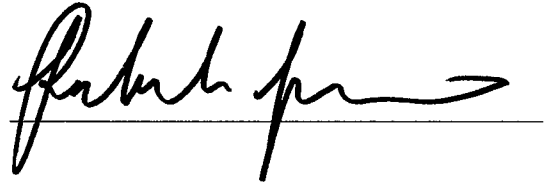
1 ~~55.85(b),~~] Hawaii Revised Statutes, shall be reenacted in the
2 form in which [~~they~~] it read on the day prior to the effective
3 date of this Act."

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

6 SECTION 6. This Act, upon its approval, shall apply to
7 taxable years beginning after December 31, 2024.

8

INTRODUCED BY:



JAN 14 2025



H.B. NO. 179

Report Title:

Low-income Household Renters; Earned Income Tax Credit;
Refundable Food/excise Tax Credit; Adjustments

Description:

Makes permanent the amendments made by Act 163, SLH 2023, to the state earned income tax credit and refundable food/excise tax credit. Amends the income thresholds and credit amounts for the low-income household renters tax credit and refundable food/excise tax credit. Amends the state earned income tax credit. Applies to taxable years beginning after 12/31/2024.

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

