

A Bill for an Act Relating to Tax Credits.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 235-56, Hawaii Revised Statutes, is amended by amending subsection (i) to read as follows:

“(i) Tax credits for drug and medical expenses. In addition to the credits provided by this section, a resident taxpayer or resident individual as defined in

subsection (a) may claim tax credits as provided below on account of drug or medical expenses paid during the tax year. For purposes of this subsection, drug and medical expenses mean all expenses allowable in computing the drug and medical deduction for State income tax purposes, or which would have been allowable except for the fact that the expense was compensated by hospital, health, or accident insurance, or except for the fact that an itemized tax return was not filed; provided the transaction causing the expense was subject to the tax imposed by chapters 237 or 238. An itemized list of the expenses shall accompany the claim. All provisions of this section shall be applicable to claims for these tax credits except subsection (c). Each taxpayer may claim tax credits in the amount indicated for each modified adjusted gross income bracket as shown in the schedule below.

Modified Adjusted Gross Income Brackets	Tax Credits
Under \$5,000	4% of drug and medical expenses
\$ 5,000 to \$ 7,999	3% of drug and medical expenses
8,000 to 10,999	2% of drug and medical expenses
11,000 to 13,999	1% of drug and medical expenses,

provided each taxpayer over age sixty-five may claim double the tax credit for each modified adjusted gross income bracket as shown in the above schedule.”

SECTION 2. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.*

SECTION 3. This Act shall take effect on January 1, 1972.

(Approved May 17, 1971.)

* Edited accordingly.