

A Bill for an Act Relating to the Deduction of Expenses for Household and Dependent Care.

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

SECTION 1. The purpose of this Act is to adopt federal income tax provisions which allow for the deduction of household and dependent care expenses incurred for employment purposes. In summary and without limiting the provisions of the public laws adopted, the Act allows such expenses to be deducted if they are incurred for a dependent of the taxpayer under fifteen and for a dependent or spouse who is physically or mentally incapable of caring for himself. The expense deduction is allowed if the claimant is employed. Expenses are allowed in an amount up to \$200 for one person, \$300 for two persons, and \$400 for three or more persons. Expenses are allowed in the preceding amounts for persons with an income of less than \$35,000. For persons with an income over \$35,000, the expenses incurred are reduced by a portion of one-half of the adjusted gross income over \$35,000.

SECTION 2. Chapter 235, Hawaii Revised Statutes, is amended by adding a new section to read as follows:

“Sec. 235-2.1 Internal Revenue Code, further amendments adopted. For each taxable year specified in column 1 below the Internal Revenue Code meant is the Internal Revenue Code of 1954 as amended as of June 7, 1957 and as further amended by the acts of Congress, or portions thereof, enumerated in column 2 (section numbers in column 2 are inclusive). Amendments to the Code not enumerated in section 235-2 or herein shall not be operative for the purposes of this chapter unless specifically adopted.

Column 1	Column 2
Taxable years beginning on or after January 1, 1976	Public Law 92-178, Section 210(a) Public Law 94-12, Section 206.”

SECTION 3. New statutory material is underscored. In printing this Act, the revisor need not include the underscoring.*

*Edited accordingly.

SECTION 4. This Act, upon its approval, shall apply to taxable years beginning after December 31, 1975.

(Approved June 9, 1976.)