

ACT 322

S.B. NO. 42

A Bill for an Act Relating to Income Tax.

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

SECTION 1. Section 235-55.6, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Allowance of credit.

- (1) In general. For each resident taxpayer, who files an individual income tax return for a taxable year, and who is not claimed or is not otherwise eligible to be claimed as a dependent by another taxpayer for federal or Hawaii state individual income tax purposes, who maintains a household which includes as a member one or more qualifying individuals

(as defined in subsection (b)(1)), there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable percentage of the employment-related expenses (as defined in subsection (b)(2)) paid by such individual during the taxable year.

- (2) Applicable percentage defined. For purposes of paragraph (1), the term “applicable percentage” means [fifteen] twenty-five per cent reduced (but not below [ten] fifteen per cent) by one percentage point of each \$2,000 (or fraction thereof) by which the taxpayer’s adjusted gross income for the taxable year exceeds \$10,000.”

SECTION 2. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval and shall apply to taxable years beginning after December 31, 1989.

(Approved June 14, 1989.)