

ACT 163

H.B. NO. 954

A Bill for an Act Relating to Taxation.

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 (c) to read as follows:

“(c) Dollar limit on amount creditable. The amount of the employment-related expenses incurred during any taxable year which may be taken into account under subsection (a) shall not exceed:

- (1) [~~\$2,400~~] \$10,000 if there is one qualifying individual with respect to the taxpayer for such taxable year, or

- (2) [~~\$4,800~~]¹ \$20,000 if there are two or more qualifying individuals with respect to the taxpayer for such taxable year.

The amount determined under paragraph (1) or (2) (whichever is applicable) shall be reduced by the aggregate amount excludable from gross income under section 129 (with respect to dependent care assistance programs) of the Internal Revenue Code for the taxable year.”

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

“(a) Each qualifying individual taxpayer may claim a refundable earned income tax credit. The tax credit, for the appropriate taxable year, shall be [~~twenty~~] forty per cent of the federal earned income tax credit allowed and properly claimed under section 32 of the Internal Revenue Code and reported as such on the individual’s federal income tax return.”

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

“(b) Each individual taxpayer may claim a refundable food/excise tax credit multiplied by the number of qualified exemptions to which the taxpayer is entitled in accordance with the table below; provided that [~~a husband and wife~~] spouses filing separate tax returns for a taxable year for which a joint return could have been filed by them shall claim only the tax credit to which they would have been entitled had a joint return been filed.

<u>Adjusted gross income</u> <u>for taxpayers filing</u> <u>a single return</u>	<u>Credit per exemption</u>
<u>Under \$5,000</u>	<u>\$110</u>
<u>\$5,000 under \$10,000</u>	<u>\$100</u>
<u>\$10,000 under \$15,000</u>	<u>\$ 85</u>
<u>\$15,000 under \$20,000</u>	<u>\$ 70</u>
<u>\$20,000 under \$30,000</u>	<u>\$ 55</u>
<u>\$30,000 and over</u>	<u>\$ 0.</u>

<u>Adjusted gross income</u> <u>for heads of household,</u> <u>married individuals filing</u> <u>separate returns, and</u> <u>married couples filing</u> <u>joint returns</u>	<u>Credit per exemption</u>
<u>Under \$5,000</u>	<u>\$110</u>
<u>\$5,000 under \$10,000</u>	<u>\$100</u>
<u>\$10,000 under \$15,000</u>	<u>\$ 85</u>
<u>\$15,000 under \$20,000</u>	<u>\$ 70</u>
<u>\$20,000 under \$30,000</u>	<u>\$ 55</u>
<u>\$30,000 under \$40,000</u>	<u>\$ 45</u>
<u>\$40,000 under \$50,000</u>	<u>\$ 35</u>
<u>\$50,000 and over</u>	<u>\$ 0.]</u>

<u>Adjusted gross income</u> <u>for taxpayers filing</u> <u>a single return</u>	<u>Credit per exemption</u>
<u>Under \$15,000</u>	<u>\$220</u>
<u>\$15,000 under \$20,000</u>	<u>\$200</u>

<u>\$20,000 under \$25,000</u>	<u>\$170</u>
<u>\$25,000 under \$30,000</u>	<u>\$140</u>
<u>\$30,000 under \$40,000</u>	<u>\$110</u>
<u>\$40,000 and over</u>	<u>\$ 0.</u>

Adjusted gross income
for heads of household,
surviving spouses,
spouses filing
separate returns, and
married couples filing
joint returns

Credit per exemption

<u>Under \$15,000</u>	<u>\$220</u>
<u>\$15,000 under \$20,000</u>	<u>\$200</u>
<u>\$20,000 under \$25,000</u>	<u>\$170</u>
<u>\$25,000 under \$30,000</u>	<u>\$140</u>
<u>\$30,000 under \$40,000</u>	<u>\$110</u>
<u>\$40,000 under \$50,000</u>	<u>\$ 90</u>
<u>\$50,000 under \$60,000</u>	<u>\$ 70</u>
<u>\$60,000 and over</u>	<u>\$ 0.”</u>

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

SECTION 5. This Act, upon its approval, shall apply to taxable years beginning after December 31, 2022; provided that on December 31, 2027, this Act shall be repealed and sections 235-55.6(c), 235-55.75(a), and 235-55.85(b), Hawaii Revised Statutes, shall be reenacted in the form in which they read on the day prior to the effective date of this Act.

(Approved June 30, 2023.)

Note

1. "\$" should be stricken.