
A BILL FOR AN ACT

RELATING TO TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 235, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§235- Income tax credit; medical travel expenses. (a)

5 Each resident taxpayer who is not eligible to be claimed by
6 another as a dependent for federal or state income taxes; who
7 paid for certain travel expenses, not covered by insurance, for
8 the purpose of obtaining medical care for the taxpayer's own
9 person, or for obtaining medical care for a dependent of the
10 resident taxpayer; and who files an individual net income tax
11 return for a taxable year, may claim a tax credit under this
12 section against the resident taxpayer's Hawaii state individual
13 net income tax, subject to the requirements of this section.

14 (b) Each taxpayer having an adjusted gross income of less
15 than \$ who paid for travel expenses, not covered or
16 compensated by insurance or otherwise, for the purpose of
17 obtaining medical care for the taxpayer's own person, or for



1 obtaining medical care for a dependent of the resident taxpayer,
2 during the taxable year for which the credit is claimed, may
3 claim a tax credit in an amount equal to per cent of the
4 travel expenses paid that were primarily for, and essential to,
5 medical care.

6 (c) The tax credits shall be deductible from the
7 taxpayer's individual net income tax for the tax year in which
8 the credits are properly claimed; provided that spouses filing
9 separate returns for a taxable year for which a joint return
10 could have been made by the spouses shall claim only the tax
11 credits to which they would have been entitled had a joint
12 return been filed. If the allowed tax credits exceed the amount
13 of the income tax payments due from the taxpayer, the excess of
14 credits over payments due shall be refunded to the taxpayer;
15 provided further that no refunds or payments on account of the
16 tax credits allowed by this section shall be made for amounts
17 less than \$1.

18 (d) All of the provisions relating to assessments and
19 refunds under this chapter and under section 231-23(c)(1) shall
20 apply to the tax credits hereunder.



1 (e) Claims for tax credits under this section, including
2 any amended claims thereof, shall be filed on or before the end
3 of the twelfth month following the taxable year for which the
4 credit may be claimed.

5 (f) The director of taxation shall prepare and prescribe
6 the appropriate forms to be used herein, require proof of claims
7 for tax credits, and adopt rules pursuant to chapter 91
8 necessary for the purposes of this section.

9 (g) For the purposes of this section:

10 "Dependent" has the same meaning as in section 152 of the
11 Internal Revenue Code, determined without regard to subsections
12 (b) (1), (b) (2), and (d) (1) (B) thereof.

13 "Medical care" has the same meaning as in sections
14 213 (d) (1) (A) and 213 (d) (9) of the Internal Revenue Code."

15 SECTION 2. This Act does not affect rights and duties that
16 matured, penalties that were incurred, and proceedings that were
17 begun before its effective date.

18 SECTION 3. New statutory material is underscored.

19 SECTION 4. This Act shall take effect on December 31,
20 2050, and shall apply to taxable years beginning after
21 December 31, 2023.



Report Title:

Income Taxation; Individuals; Medical Travel; Tax Credit

Description:

Establishes an income tax credit for medically-related travel expenses not covered by insurance. Effective 12/31/2050. (SD1)

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

