

JAN 26 2011

A BILL FOR AN ACT

RELATING TO A COLLEGE SAVINGS PROGRAM TAX CREDIT.

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- College savings program tax credit. (a) There
5 shall be allowed to each taxpayer subject to the tax imposed
6 under this chapter, a college savings program tax credit equal
7 to the amount determined under subsections (b), (c), and (d).
8 The tax credit shall apply to any contribution made on or after
9 January 1, 2013, and before January 1, 2018, to the account of a
10 designated beneficiary in the Hawaii college savings program
11 under chapter 256; provided that the credit shall not apply to
12 contributions rolled over from another account or any other
13 source.

14 (b) For taxpayers filing jointly, the tax credit shall be
15 the following amounts of the taxpayers' adjusted gross income:

16 <u>If the adjusted gross income is:</u>	<u>The tax credit shall be:</u>
17 <u>Less than \$ _____</u>	<u>% of the amount</u>
	<u>contributed</u>



1	\$ _____ or more,	_____ % of the amount
2	_____ but less than \$ _____	_____ contributed
3	\$ _____ or more,	_____ % of the amount
4	_____ but less than \$ _____	_____ contributed
5	\$ _____ or more,	_____ % of the amount
6		_____ contributed.

7 (c) For taxpayers filing individually, the tax credit
 8 shall be the following amounts of the taxpayers' adjusted gross
 9 income:

10	<u>If the adjusted gross income is:</u>	<u>The tax credit shall be:</u>
11	Less than \$ _____	_____ % of the amount
12		_____ contributed
13	\$ _____ or more,	_____ % of the amount
14	_____ but less than \$ _____	_____ contributed
15	\$ _____ or more,	_____ % of the amount
16	_____ but less than \$ _____	_____ contributed
17	\$ _____ or more,	_____ % of the amount
18		_____ contributed.

19 (d) For taxpayers filing as head of household, the tax
 20 credit shall be the following amounts of the taxpayers' adjusted
 21 gross income:

22 If the adjusted gross income is: The tax credit shall be:



1	<u>Less than \$</u>	<u>% of the amount</u>
2		<u>contributed</u>
3	<u>\$ or more,</u>	<u>% of the amount</u>
4	<u>but less than \$</u>	<u>contributed</u>
5	<u>\$ or more,</u>	<u>% of the amount</u>
6	<u>but less than \$</u>	<u>contributed</u>
7	<u>\$ or more,</u>	<u>% of the amount</u>
8		<u>contributed.</u>

9 (e) The amount of the tax credit taken shall not exceed
10 \$500 for contributions made on behalf of each designated
11 beneficiary during each taxable year.

12 (f) For purposes of this section, the term "designated
13 beneficiary" shall have the same meaning as in section 256-1.

14 (g) No tax credit shall be allowed under this section for
15 any contribution made on behalf of any designated beneficiary
16 when the value of the beneficiary's account at the time of the
17 contribution equals or exceeds the maximum investment level
18 referred to under section 256-4(1).

19 (h) The tax imposed by this chapter for the taxable year
20 shall be increased by an amount equal to the tax credit allowed
21 under subsection (a) for that taxable year and all prior taxable



1 years for contributions made by the taxpayer to a Hawaii college
2 savings program account when:

3 (1) The taxpayer cancels the tuition savings agreement
4 under chapter 256; or

5 (2) The taxpayer makes a nonqualified withdrawal as
6 defined in section 256-1.

7 (i) The director of taxation shall prepare such forms as
8 may be necessary to claim a credit under this section, may
9 require proof of the claim for the tax credit, and may adopt
10 rules pursuant to chapter 91 to effectuate this section.

11 (j) Claims for the tax credit under this section,
12 including any amended claims thereof, shall be filed on or
13 before the end of the twelfth month following the taxable year
14 for which the credit may be claimed. Failure to properly and
15 timely claim the credit shall constitute a waiver of the right
16 to claim the credit.

17 (k) If the tax credit under this section exceeds the
18 taxpayer's income tax liability, the excess of credit over
19 liability may be used as a credit against the taxpayer's income
20 tax liability in subsequent years until exhausted."


21 SECTION 2. New statutory material is underscored.



1 SECTION 3. This Act, upon its approval, shall apply to
2 taxable years beginning after December 31, 2012.

3

INTRODUCED BY: _____



By Request



Report Title:

College Savings Program Tax Credit

Description:

Establishes a college savings program tax credit.

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

