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# A BILL FOR AN ACT

RELATING TO TAX CREDITS.

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

1 SECTION 1. Section 235-55.85, Hawaii Revised Statutes, is  
2 amended as follows:

3 1. By amending subsections (a), (b), and (c) to read  
4 "(a) Each [~~resident~~] individual taxpayer, who files an  
5 individual income tax return for a taxable year, and who is not  
6 claimed or is not otherwise eligible to be claimed as a  
7 dependent by another taxpayer for federal or Hawaii state  
8 individual income tax purposes, may claim a refundable  
9 food/excise tax credit against the [~~resident~~] taxpayer's  
10 individual income tax liability for the taxable year for which  
11 the individual income tax return is being filed; provided that  
12 [~~a resident~~] an individual who has no income or no income  
13 taxable under this chapter and who is not claimed or is not  
14 otherwise eligible to be claimed as a dependent by a taxpayer  
15 for federal or Hawaii state individual income tax purposes may  
16 claim this credit.

17 (b) Each [~~resident~~] individual taxpayer may claim a  
18 refundable food/excise tax credit multiplied by the number of



1 qualified exemptions to which the taxpayer is entitled in  
 2 accordance with the table below; provided that a husband and  
 3 wife filing separate tax returns for a taxable year for which a  
 4 joint return could have been filed by them shall claim only the  
 5 tax credit to which they would have been entitled had a joint  
 6 return been filed.

7           Adjusted gross income                   Credit per exemption  
 8           for taxpayers filing  
 9           a single return

10 Under \$5,000	[ <del>85</del> ] <u>\$110</u>
11 \$5,000 under \$10,000	[75] <u>\$100</u>
12 \$10,000 under \$15,000	[65] <u>\$ 85</u>
13 \$15,000 under \$20,000	[55] <u>\$ 70</u>
14 \$20,000 under \$30,000	[45] <u>\$ 55</u>
15 \$30,000 [ <del>under \$40,000</del>	35
16 <del>\$40,000 under \$50,000</del>	25
17 <del>\$50,000] and over</del>	<u>\$0</u>

18           Adjusted gross income                   Credit per exemption  
 19           for heads of household,  
 20           married individuals filing  
 21           separate returns, and



1	<u>married couples filing</u>	
2	<u>joint returns</u>	
3	<u>Under \$5,000</u>	<u>\$110</u>
4	<u>\$5,000 under \$10,000</u>	<u>\$100</u>
5	<u>\$10,000 under \$15,000</u>	<u>\$ 85</u>
6	<u>\$15,000 under \$20,000</u>	<u>\$ 70</u>
7	<u>\$20,000 under \$30,000</u>	<u>\$ 55</u>
8	<u>\$30,000 under \$40,000</u>	<u>\$ 45</u>
9	<u>\$40,000 under \$50,000</u>	<u>\$ 35</u>
10	<u>\$50,000 and over</u>	<u>\$ 0</u>

11 (c) For the purposes of this section, a qualified  
12 exemption is defined to include those exemptions permitted under  
13 this chapter; provided that no additional exemption may be  
14 claimed by a taxpayer who is sixty-five years of age or older;  
15 provided that a person for whom exemption is claimed has been  
16 physically [~~resided~~] present in the State for more than nine  
17 months during the taxable year; and provided further that  
18 multiple exemptions shall not be granted because of deficiencies  
19 in vision or hearing, or other disability. For purposes of  
20 claiming this credit only, a minor child receiving support from  
21 the department of human services of the State, social security



1 survivor's benefits, and the like, may be considered a dependent  
2 and a qualified exemption of the parent or guardian."

3 2. By amending subsection (e) to read:

4 "(e) The tax credits claimed by a [~~resident~~] taxpayer  
5 pursuant to this section shall be deductible from the [~~resident~~]  
6 taxpayer's individual income tax liability, if any, for the tax  
7 year in which they are properly claimed. If the tax credits  
8 claimed by a [~~resident~~] taxpayer exceed the amount of income tax  
9 payment due from the [~~resident~~] taxpayer, the excess of credits  
10 over payments due shall be refunded to the [~~resident~~] taxpayer;  
11 provided that tax credits properly claimed by a [~~resident~~]  
12 individual who has no income tax liability shall be paid to the  
13 [~~resident~~] individual; and provided further that no refunds or  
14 payment on account of the tax credits allowed by this section  
15 shall be made for amounts less than \$1."

16 SECTION 2. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18 SECTION 3. This Act, upon its approval, shall apply to  
19 taxable years beginning after December 31, 2015.



**Report Title:**

Refundable Food/Excise Tax Credit

**Description:**

Increases the refundable food/excise tax credit. Repeals credit for individual taxpayers with adjusted gross incomes of \$30,000 or above. Repeals residency requirement. Applies to taxable years beginning after 12/31/2015. (SD1)

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

