

JAN 23 2015

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 (b) and (c) to read
4 "(b) Each resident individual taxpayer may claim a
5 refundable food/excise tax credit multiplied by the number of
6 qualified exemptions to which the taxpayer is entitled in
7 accordance with the table below; provided that a husband and
8 wife filing separate tax returns for a taxable year for which a
9 joint return could have been filed by them shall claim only the
10 tax credit to which they would have been entitled had a joint
11 return been filed.

12	Adjusted gross income	Credit per exemption
13	Under [\$5,000] <u>\$5,800</u>	[\$85] <u>\$100</u>
14	[\$5,000] <u>\$5,800</u> under [\$10,000] <u>\$11,500</u>	[75] <u>\$ 85</u>
15	[\$10,000] <u>\$11,500</u> under [\$15,000] <u>\$17,300</u>	[65] <u>\$ 75</u>
16	[\$15,000] <u>\$17,300</u> under [\$20,000] <u>\$23,000</u>	[55] <u>\$ 65</u>
17	[\$20,000] <u>\$23,000</u> under [\$30,000] <u>\$34,500</u>	[45] <u>\$ 50</u>



1	[\$30,000] <u>\$34,500</u> under [\$40,000] <u>\$46,000</u>	[35] <u>\$ 40</u>
2	[\$40,000] <u>\$46,000</u> under [\$50,000] <u>\$57,500</u>	[25] <u>\$ 30</u>
3	[\$50,000] <u>\$57,500</u> and over	<u>\$0</u>

4 (c) ~~[For the purposes of this section, a qualified~~
5 ~~exemption is defined to include those exemptions permitted under~~
6 ~~this chapter; provided that no additional exemption may be~~
7 ~~claimed by a taxpayer who is sixty five years of age or older;~~
8 ~~provided that a person for whom exemption is claimed has~~
9 ~~physically resided in the State for more than nine months during~~
10 ~~the taxable year; and provided further that multiple exemptions~~
11 ~~shall not be granted because of deficiencies in vision or~~
12 ~~hearing, or other disability. For purposes of claiming this~~
13 ~~credit only, a minor child receiving support from the department~~
14 ~~of human services of the State, social security survivor's~~
15 ~~benefits, and the like, may be considered a dependent and a~~
16 ~~qualified exemption of the parent or guardian.] For any taxable~~
17 year beginning in a calendar year after 2016, each dollar amount
18 contained in subsection (b) shall be increased by an amount
19 equal to such dollar amount multiplied by the percentage, if
20 any, by which the consumer price index for the preceding



1 calendar year exceeds the consumer price index for the calendar
2 year 2015."

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

4 "(g) For the purposes of this section [~~,"adjusted~~]:

5 "Adjusted gross income" means adjusted gross income as
6 defined by the Internal Revenue Code.

7 "Consumer price index" means the consumer price index for
8 all urban consumers published by the United States Department of
9 Labor.

10 "Qualified exemption" means those exemptions permitted
11 under this chapter; provided that no additional exemption may be
12 claimed by a taxpayer who is sixty-five years of age or older;
13 provided further that a person who claims such an exemption
14 shall have physically resided in the State for more than nine
15 months during the taxable year; provided further that multiple
16 exemptions shall not be granted because of deficiencies in
17 vision or hearing or other disability. For purposes of claiming
18 this credit only, a minor child receiving support from the
19 department of human services of the State, social security
20 survivor's benefits, and the like, may be considered a dependent
21 and a qualified exemption of the parent or guardian."



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

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

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INTRODUCED BY:

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S.B. NO. 555

Report Title:

Refundable Food/Excise Tax Credit

Description:

Amends the refundable food/excise tax credit. Ties the credit to increases in the consumer price index. Applies to taxable years beginning after 12/31/2015.

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