
A BILL FOR AN ACT

RELATING TO TAX CREDITS.

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

1 SECTION 1. The purpose of this Act is to increase the
2 refundable food/excise tax credit.

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

5 1. By amending subsections (a), (b), and (c) to read:

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



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

9 Adjusted gross income 10 <u>for taxpayers filing</u> 11 <u>a single return</u>	Credit per exemption
12 Under \$5,000	[85] <u>\$110</u>
13 \$5,000 under \$10,000	[75] <u>\$100</u>
14 \$10,000 under \$15,000	[65] <u>\$ 85</u>
15 \$15,000 under \$20,000	[55] <u>\$ 70</u>
16 \$20,000 under \$30,000	[45] <u>\$ 55</u>
17 \$30,000 [under \$40,000	35
18 \$40,000 under \$50,000	25
19 \$50,000] and over	<u>\$0</u>



<u>Adjusted gross income</u>	<u>Credit per exemption</u>
for heads of household,	
<u>married individuals filing</u>	
<u>separate returns, and</u>	
<u>married couples filing</u>	
<u>joint returns</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>

(c) For the purposes of this section, a qualified exemption is defined to include those exemptions permitted under this chapter; provided that no additional exemption may be claimed by a taxpayer who is sixty-five years of age or older; provided that a person for whom exemption is claimed has been physically [~~resided~~] present in the State for more than nine months during the taxable year; and provided further that



1 multiple exemptions shall not be granted because of deficiencies
2 in vision or hearing, or other disability. For purposes of
3 claiming this credit only, a minor child receiving support from
4 the department of human services of the State, social security
5 survivor's benefits, and the like, may be considered a dependent
6 and a qualified exemption of the parent or guardian."

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

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

20 SECTION 3. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 4. This Act, upon its approval, shall apply to
2 taxable years beginning after December 31, 2015; provided that
3 this Act shall be repealed on December 31, 2017, and section
4 235-55.85, Hawaii Revised Statutes, shall be reenacted in the
5 form in which it read on the day prior to the effective date of
6 this Act.



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 and for heads of households, married couples filing jointly, and married couples filing separately, with adjusted gross incomes of \$50,000 or above. Repeals residency requirement. Applies to taxable years beginning after 12/31/2015. Repeal and reenactment on 12/31/2017. (CD1)

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