

JAN 17 2020

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 part III to be appropriately
3 designated and to read as follows:

4 "§235- Child care expense tax credit. (a) There shall
5 be allowed to each taxpayer subject to the taxes imposed by this
6 chapter, an income tax credit that shall be deductible from the
7 taxpayer's net income tax liability, if any, imposed by this
8 chapter for the taxable year in which the credit is properly
9 claimed.

10 (b) The amount of the credit shall be per cent of
11 the taxpayer's eligible child care expenses during that taxable
12 year.

13 (c) If the tax credit claimed by the taxpayer exceeds the
14 amount of income tax payment due from the taxpayer, the excess
15 of the credit over payments due shall be refunded to the
16 taxpayer; provided that a tax credit under this section properly
17 claimed by an individual who has no income tax liability shall



1 be paid to the taxpayer; and provided further that no refunds or
2 payment on account of the tax credit allowed by this section
3 shall be made for amounts less than \$1.

4 (d) All claims for a tax credit under this section,
5 including amended claims, shall be filed on or before the end of
6 the twelfth month following the close of the taxable year for
7 which the tax credit may be claimed. Failure to comply with the
8 foregoing provision shall constitute a waiver of the right to
9 claim the tax credit.

10 (e) No other tax credit or deduction shall be claimed
11 under this chapter for the certain expenses used to claim a tax
12 credit under this section for the taxable year.

13 (f) A taxpayer shall not be eligible to claim a tax credit
14 under this section if the taxpayer is claiming a credit under
15 section 235-55.6 in the same taxable year.

16 (g) The director of taxation:

17 (1) Shall prepare any forms necessary to claim a tax
18 credit under this section;

19 (2) May require the taxpayer to furnish reasonable
20 information to ascertain the validity of the claim for
21 the tax credit made under this section; and



1 (3) May adopt rules, pursuant to chapter 91, to effectuate
2 this section.

3 (h) As used in this section:

4 "Child care facility" means a licensed child care facility
5 as defined under section 346-151.

6 "Eligible child care expenses" means the total amount of
7 money the taxpayer paid to a child care facility in the State
8 during the taxable year for the care of a child:

9 (1) Who is under the age of thirteen; and

10 (2) For whom the taxpayer is entitled to a deduction under
11 section 235-54(a)."

12 SECTION 2. New statutory material is underscored.

13 SECTION 3. This Act, upon its approval, shall apply to
14 taxable years beginning after December 31, 2019.

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INTRODUCED BY:



S.B. NO. 2283

Report Title:

Taxation; Refundable Tax Credit; Child Care Expenses

Description:

Establishes a child care expense refundable tax credit that is equal to an unspecified per cent of the amount the taxpayer spent on eligible child care expenses during that taxable year. Defines "eligible child care expenses" as the total amount the taxpayer paid to a child care facility in the State for the care of a child who is under the age of 13 and for whom the taxpayer is entitled to a deduction under section 235-54(a), HRS. Prohibits a taxpayer from claiming both the child care expenses tax credit and the credit for employment-related expenses for household and dependent care services under section 235-55.6, HRS. Applies to taxable years beginning after December 31, 2019.

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

