
A BILL FOR AN ACT

RELATING TO INCOME TAX CREDITS.

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

1 SECTION 1. Section 235-55.7, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§235-55.7 Income tax credit for low-income household**
4 **renters.** (a) As used in this section:

5 (1) "Adjusted gross income" is defined by section 235-1.

6 (2) "Consumer Price Index" means the Consumer Price Index
7 for All Urban Consumers published by the United States
8 Department of Labor.

9 ~~[(2)]~~ (3) "Qualified exemption" includes those exemptions
10 permitted under this chapter; provided that a person
11 for whom exemption is claimed has physically resided
12 in the State for more than nine months during the
13 taxable year; and provided that multiple exemption
14 shall not be granted because of deficiencies in
15 vision, hearing, or other disability.

16 ~~[(3)]~~ (4) "Rent" means the amount paid in cash in any
17 taxable year for the occupancy of a dwelling place
18 which is used by a resident taxpayer or the resident



1 taxpayer's immediate family as the principal residence
2 in this State. Rent is limited to the amount paid for
3 the occupancy of the dwelling place only, and is
4 exclusive of charges for utilities, parking stalls,
5 storage of goods, yard services, furniture,
6 furnishings, and the like. Rent shall not include any
7 rental claimed as a deduction from gross income or
8 adjusted gross income for income tax purposes, any
9 ground rental paid for use of land only, and any rent
10 allowance or subsidies received.

11 (b) Each resident taxpayer who occupies and pays rent for
12 real property within the State as the resident taxpayer's
13 residence or the residence of the resident taxpayer's immediate
14 family which is not partially or wholly exempted from real
15 property tax, who is not eligible to be claimed as a dependent
16 for federal or state income taxes by another, and who files an
17 individual net income tax return for a taxable year, may claim a
18 tax credit under this section against the resident taxpayer's
19 Hawaii state individual net income tax.

20 (c) Each taxpayer with an adjusted gross income of less
21 than [~~\$30,000~~] \$59,700 who has paid more than \$1,000 in rent
22 during the taxable year for which the credit is claimed may



1 claim a tax credit of [~~\$50~~] \$146 multiplied by the number of
2 qualified exemptions to which the taxpayer is entitled; provided
3 each taxpayer sixty-five years of age or over may claim double
4 the tax credit; and provided that a resident individual who has
5 no income or no income taxable under this chapter may also claim
6 the tax credit as set forth in this section.

7 (d) For each taxable year beginning after December 31,
8 2014, each dollar amount contained in subsection (c) shall be
9 increased by an amount equal to such dollar amount, multiplied
10 by the percentage, if any, by which the Consumer Price Index for
11 the preceding calendar year exceeds the Consumer Price Index for
12 the calendar year 2015.

13 [~~(d)~~] (e) If a rental unit is occupied by two or more
14 individuals, and more than one individual is able to qualify as
15 a claimant, the claim for credit shall be based upon a pro rata
16 share of the rent paid.

17 [~~(e)~~] (f) The tax credits shall be deductible from the
18 taxpayer's individual net income tax for the tax year in which
19 the credits are properly claimed; provided that a husband and
20 wife filing separate returns for a taxable year for which a
21 joint return could have been made by them shall claim only the
22 tax credits to which they would have been entitled had a joint



1 return been filed. In the event the allowed tax credits exceed
2 the amount of the income tax payments due from the taxpayer, the
3 excess of credits over payments due shall be refunded to the
4 taxpayer; provided that allowed tax credits properly claimed by
5 an individual who has no income tax liability shall be paid to
6 the individual; and provided further that no refunds or payments
7 on account of the tax credits allowed by this section shall be
8 made for amounts less than \$1.

9 ~~[(f)]~~ (g) The director of taxation shall prepare and
10 prescribe the appropriate form or forms to be used herein, may
11 require proof of the claim for tax credits, and may adopt rules
12 pursuant to chapter 91.

13 ~~[(g)]~~ (h) All of the provisions relating to assessments
14 and refunds under this chapter and under section 231-23(c)(1)
15 shall apply to the tax credits hereunder.

16 ~~[(h)]~~ (i) Claims for tax credits under this section,
17 including any amended claims thereof, shall be filed on or
18 before the end of the twelfth month following the taxable year
19 for which the credit may be claimed."

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



1 SECTION 3. This Act shall take effect on July 1, 2050, and
2 shall apply to taxable years beginning after .



Report Title:

Income Tax Credit; Low-Income Household Renters

Description:

Amends income tax credit for low-income household renters to adjust for inflation. Effective July 1, 2050. (HB1808 HD1)

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