
A BILL FOR AN ACT

RELATING TO SECTION 235-55.91, HAWAII REVISED STATUTES.

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

1 SECTION 1. Section 235-55.91, Hawaii Revised Statutes, is
2 amended by amending subsection (e) to read as follows:

3 "(e) The following wages paid to vocational rehabilitation
4 referrals are ineligible to be claimed by the employer for this
5 credit:

6 (1) No wages shall be taken into account under this
7 section with respect to a vocational rehabilitation
8 referral who:

9 (A) Bears any of the relationships described in
10 section [~~152(a)(1) to (8)~~] 152(d)(2)(A) to (G) of
11 the Internal Revenue Code to the taxpayer, or, if
12 the taxpayer is a corporation, to an individual
13 who owns, directly or indirectly, more than fifty
14 per cent in value of the outstanding stock of the
15 corporation (determined with the application of
16 section 267(c) of the Internal Revenue Code);



- 1 (B) If the taxpayer is an estate or trust, is a
2 grantor, beneficiary, or fiduciary of the estate
3 or trust, or is an individual who bears any of
4 the relationships described in section [~~152(a)(1)~~
5 ~~to (8)~~] 152(d)(2)(A) to (G) of the Internal
6 Revenue Code to a grantor, beneficiary, or
7 fiduciary of the estate or trust; or
- 8 (C) Is a dependent (described in section [~~152(a)(9)~~
9 152(d)(2)(H) of the Internal Revenue Code) of the
10 taxpayer, or, if the taxpayer is a corporation,
11 of an individual described in subparagraph (A),
12 or, if the taxpayer is an estate or trust, of a
13 grantor, beneficiary, or fiduciary of the estate
14 or trust.
- 15 (2) No wages shall be taken into account under this
16 section with respect to any vocational rehabilitation
17 referral if, prior to the hiring date of the
18 individual, the individual had been employed by the
19 employer at any time during which the individual was
20 not a vocational rehabilitation referral.



1 (3) No wages shall be taken into account under this
2 section with respect to any vocational rehabilitation
3 referral unless such individual either:
4 (A) Is employed by the employer at least ninety days;
5 or
6 (B) Has completed at least one hundred-twenty hours
7 of services performed for the employer."

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 Statutory material to be repealed is bracketed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

10 SECTION 3. This Act shall take effect upon its approval.



Report Title:

Income Tax; Vocational Rehabilitation Referrals

Description:

Updates Internal Revenue Code citations in the state law relating to tax credits for the employment of vocational rehabilitation referrals. (SB1136 HD1)

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