

# SENATE FLOOR AMENDMENT

FLOOR AMENDMENT NO. 5 Date APR 11 2023

TO: House Bill No. 1049, H.D. 2, S.D. 1

SECTION 1. House Bill No. 1049, H.D. 2, S.D. 1, section 1, is amended by amending page 1, lines 4 to 12, to read as follows:

""Cost-of-living adjustment factor" means a factor calculated by adding 1.0 to the percentage change in the Urban Hawaii Consumer Price Index for all items, as published by the United States Department of Labor, from July of the preceding calendar year to July of the current calendar year; provided that, if the Urban Hawaii Consumer Price Index is discontinued, the Chained Consumer Price Index for All Urban Consumers, as published by the United States Department of Labor, shall be used to calculate the cost-of-living adjustment factor.""

SECTION 2. House Bill No. 1049, H.D. 2, S.D. 1, section 2, is amended by replacing the language at page 15, lines 19 to 20, with the following language:

"(h) This section shall not apply to taxable years beginning after December 31, 2028.

(i) As used in this section, "adjusted gross income" means adjusted gross income as defined by the Internal Revenue Code."

SECTION 3. House Bill No. 1049, H.D. 2, S.D. 1, section 3, is amended to read as follows:

"SECTION 3. Section 235-55.75, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

"(a) Each qualifying individual taxpayer may claim a refundable earned income tax credit. The tax credit, for the appropriate taxable year, shall be [~~twenty~~] forty per cent of the federal earned income tax credit allowed and properly claimed under section 32 of the Internal Revenue Code and reported as such on the individual's federal income tax return."

2. By amending subsection (g) to read:

"(g) If nonrefundable credits claimed under this section for any of the four consecutive taxable years beginning after December 31, 2017, exceed the taxpayer's income tax liability



for the original claim year, the excess of the tax credits over liability may be used as a credit against the taxpayer's net income tax liability in subsequent years until exhausted; provided that no credit carried forward under this subsection shall be used as a credit for a taxable year beginning after December 31, 2024. This section shall not apply to taxable years after December 31, 2028."

SECTION 4. House Bill No. 1049, H.D. 2, S.D. 1, section 4, is amended to read as follows:

"SECTION 4. Section 235-55.85, Hawaii Revised Statutes, is amended to read as follows:

"§235-55.85 Refundable food/excise tax credit. (a) Each individual taxpayer, who files an individual income tax return for a taxable year, and who is not claimed or is not otherwise eligible to be claimed as a dependent by another taxpayer for federal or Hawaii state individual income tax purposes, may claim a refundable food/excise tax credit against the taxpayer's individual income tax liability for the taxable year for which the individual income tax return is being filed; provided that an individual who has no income or no income taxable under this chapter and who is not claimed or is not otherwise eligible to be claimed as a dependent by a taxpayer for federal or Hawaii state individual income tax purposes may claim this credit.

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

<del>[Adjusted gross income for taxpayers filing a single return</del>	<del>Credit per exemption</del>
<del>Under \$5,000</del>	<del>\$110</del>
<del>\$5,000 under \$10,000</del>	<del>\$100</del>
<del>\$10,000 under \$15,000</del>	<del>\$ 85</del>
<del>\$15,000 under \$20,000</del>	<del>\$ 70</del>
<del>\$20,000 under \$30,000</del>	<del>\$ 55</del>
<del>\$30,000 and over</del>	<del>\$ 0.</del>

<del>Adjusted gross income for heads of household, married individuals filing</del>	<del>Credit per exemption</del>
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<del>separate returns, and</del>	
<del>married couples filing</del>	
<del>joint returns</del>	
<del>Under \$5,000</del>	<del>\$110</del>
<del>\$5,000 under \$10,000</del>	<del>\$100</del>
<del>\$10,000 under \$15,000</del>	<del>\$ 85</del>
<del>\$15,000 under \$20,000</del>	<del>\$ 70</del>
<del>\$20,000 under \$30,000</del>	<del>\$ 55</del>
<del>\$30,000 under \$40,000</del>	<del>\$ 45</del>
<del>\$40,000 under \$50,000</del>	<del>\$ 35</del>
<del>\$50,000 and over</del>	<del>\$ 0.]</del>
<u>Adjusted gross income</u>	<u>Credit per exemption</u>
<u>for taxpayers filing</u>	
<u>a single return</u>	
<u>Under \$15,000</u>	<u>\$220</u>
<u>\$15,000 under \$20,000</u>	<u>\$200</u>
<u>\$20,000 under \$25,000</u>	<u>\$170</u>
<u>\$25,000 under \$30,000</u>	<u>\$140</u>
<u>\$30,000 under \$40,000</u>	<u>\$110</u>
<u>\$40,000 and over</u>	<u>\$ 0.</u>

<u>Adjusted gross income</u>	<u>Credit per exemption</u>
<u>for heads of household,</u>	
<u>surviving spouses,</u>	
<u>spouses filing</u>	
<u>separate returns, and</u>	
<u>married couples filing</u>	
<u>joint returns</u>	
<u>Under \$15,000</u>	<u>\$220</u>
<u>\$15,000 under \$20,000</u>	<u>\$200</u>
<u>\$20,000 under \$25,000</u>	<u>\$170</u>
<u>\$25,000 under \$30,000</u>	<u>\$140</u>
<u>\$30,000 under \$40,000</u>	<u>\$110</u>
<u>\$40,000 under \$50,000</u>	<u>\$ 90</u>
<u>\$50,000 under \$60,000</u>	<u>\$ 70</u>
<u>\$60,000 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 present in the State for more than nine months during the taxable year; and provided further that multiple exemptions shall not be granted because of deficiencies in vision or hearing, or other disability. For purposes of claiming this credit only, a minor child receiving support from the department of human services of the State, social security survivor's



benefits, and the like, may be considered a dependent and a qualified exemption of the parent or guardian.

(d) The tax credit under this section shall not be available to:


- (1) Any person who has been convicted of a felony and who has been committed to prison and has been physically confined for the full taxable year;
- (2) Any person who would otherwise be eligible to be claimed as a dependent but who has been committed to a youth correctional facility and has resided at the facility for the full taxable year; or
- (3) Any misdemeanor who has been committed to jail and has been physically confined for the full taxable year.

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

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

(g) This section shall not apply to taxable years beginning after December 31, 2028.

~~[(g)]~~ (h) For the purposes of this section, "adjusted gross income" means adjusted gross income as defined by the Internal Revenue Code.""

Offered by:  ) Carried

( ) Failed to Carry

( ) Withdrawn