A BILL FOR AN ACT

RELATING TO CAREGIVERS.

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 be appropriately designated | | | |
| 3 | and to read as follows: | | | |
| 4 | " <u>§235-</u> Caregiver tax credit. (a) There shall be | | | |
| 5 | allowed a caregiver tax credit to each eligible taxpayer who is | | | |
| 6 | not claimed and is not otherwise eligible to be claimed as a | | | |
| 7 | dependent by another taxpayer for federal or Hawaii state | | | |
| 8 | individual income tax purposes, and who files an individual net | | | |
| 9 | income tax return for a taxable year. | | | |
| 10 | (b) The caregiver tax credit shall be a percentage of | | | |
| 11 | \$, based on adjusted gross income of the caregiver, as | | | |
| 12 | defined in the Internal Revenue Code of 1986, as amended, | | | |
| 13 | according to the following schedule: | | | |
| 14 | TAX CREDIT SCHEDULE | | | |
| 15 | Adjusted Gross Income Tax Credit | | | |
| 16 | <u>Under \$30,000</u> | | | |
| 17 | \$30,000 to under \$50,000 % | | | |
| 18 | \$50,000 to under \$75,000 % | | | |
| | UP2007 SD2 IPB 06-3438 doc | | | |

HBZU97 SDZ LRB 00-3438.QCC

| 1 | 575,000 and over | | | |
|----|--|--|--|--|
| 2 | (c) An eligible taxpayer may claim the tax credit for | | | |
| 3 | every taxable year that the eligible taxpayer provides care to a | | | |
| 4 | care recipient. Only one caregiver per household may claim a | | | |
| 5 | tax credit for any care recipient cared for in a taxable year. | | | |
| 6 | An eligible taxpayer may not claim multiple tax credits under | | | |
| 7 | this section in a taxable year, regardless of the number of car | | | |
| 8 | recipients receiving care from the eligible taxpayer. | | | |
| 9 | (d) An eligible taxpayer shall certify to the department | | | |
| 10 | that the taxpayer is in compliance with all applicable federal, | | | |
| 11 | state, and county statutes, rules, and regulations. | | | |
| 12 | (e) If the tax credit claimed by the taxpayer under this | | | |
| 13 | section exceeds the amount of income tax payments due from the | | | |
| 14 | taxpayer, the excess of credit over payments due shall be | | | |
| 15 | refunded to the taxpayer; provided that the tax credit properly | | | |
| 16 | claimed by a taxpayer who has no income tax liability shall be | | | |
| 17 | paid to the taxpayer; and provided that no refunds or payments | | | |
| 18 | on account of the tax credit allowed by this section shall be | | | |
| 19 | made for amounts less than \$1. | | | |
| 20 | (f) Every claim, including amended claims, for the tax | | | |
| 21 | credit under this section shall be filed on or before the end of | | | |
| 22 | the twelfth month following the close of the taxable year for | | | |

- 1 which the tax credit may be claimed. Failure to meet the filing
- 2 requirements of this subsection shall constitute a waiver of the
- 3 right to claim the tax credit.
- 4 (g) The director of taxation shall prepare such forms as
- 5 may be necessary to claim a tax credit under this section, may
- 6 require proof of the claim for the tax credit, and may adopt
- 7 rules pursuant to chapter 91 to effectuate the purposes of this
- 8 section.
- 9 (h) The department shall report to the legislature
- 10 annually, no later than twenty days prior to the convening of
- 11 every regular session, on the number of taxpayers claiming the
- 12 tax credit and the total cost of the tax credit to the State
- 13 during the past year.
- 14 (i) The department shall assist the executive office on
- 15 aging to provide information on caregiver services to each
- 16 taxpayer who claims the tax credit.
- 17 (j) As used in this section:
- 18 "Eligible taxpayer" means a caregiver who cares for a
- 19 qualified care recipient.
- 20 "Qualified care recipient" means a person who is sixty
- 21 years of age or older, a citizen or resident alien of the United
- 22 States, and a relative of the caregiver who:

| 1 | (1) | Has co-resided with the caregiver at least six months |
|----|-------------|--|
| 2 | | of the taxable year for which the credit is claimed; |
| 3 | | <u>or</u> |
| 4 | (2) | Has received more than fifty per cent of the qualified |
| 5 | | care recipient's financial support during the taxable |
| 6 | | year from the caregiver; and |
| 7 | (3) | Is certified by a licensed physician or advanced |
| 8 | | practice registered nurse as requiring one of the |
| 9 | | <pre>following:</pre> |
| 10 | | (A) Substantial supervision to protect the qualified |
| 11 | | care recipient from threat to health or safety |
| 12 | | due to cognitive impairment; or |
| 13 | | (B) Substantial assistance to perform at least two of |
| 14 | | the following activities of daily living: |
| 15 | | (i) Bathing; |
| 16 | | (ii) Eating; |
| 17 | | (iii) Using the toilet; |
| 18 | | (iv) Dressing; or |
| 19 | | (v) Transferring, such as from bed to |
| 20 | | wheelchair. |
| 21 | <u>"Rel</u> | ative" means a spouse, child, parent, sibling, legal |
| 22 | guardian, | a reciprocal beneficiary as that term is defined in |

H.B. NO. H.D. 2 S.D. 2

- 1 section 572C-3, or any other person who is related by blood,
- 2 marriage, or adoption."
- 3 SECTION 2. New statutory material is underscored.
- 4 SECTION 3. This Act shall take effect on July 1, 2050 and
- 5 apply to taxable years beginning after December 31, 2005, and
- 6 shall be repealed on January 1, 2009.

HB2097, SD2

Report Title:

Caregivers; Tax Credit

Description:

Provides a tax credit to taxpayer caregivers who care for qualified care recipients. (SD2)