
A BILL FOR AN ACT

RELATING TO TAX CREDITS.

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 "§235-A School tuition tax credit. (a) There shall be
5 allowed to each taxpayer subject to the taxes imposed by this
6 chapter, an income tax credit which 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 the lesser of (i)
11 5,000 dollars per unemancipated minor-student per year, or (ii)
12 the total cost of the school tuition incurred by taxpayer; where
13 the taxpayer is the parent or guardian of student.

14 (c) The credit allowed under this section shall be claimed
15 against the net income tax liability for the taxable year.

16 (d) If the tax credit under this section exceeds the
17 taxpayer's income tax liability, the excess credit over
18 liability may be used as a credit against the taxpayer's income



1 tax liability in subsequent years until exhausted. All claims
2 for a tax credit under this section shall be filed on or before
3 the end of the twelfth month following the close of the taxable
4 year for which the credit may be claimed. Failure to comply
5 with the foregoing provision shall constitute a waiver of the
6 right to claim the credit.

7 (e) The director of taxation shall prepare any forms that
8 may be necessary to claim a credit under this section. The
9 director may also require the taxpayer to furnish information to
10 ascertain the validity of the claim for credit made under this
11 section and may adopt rules necessary to effectuate the purposes
12 of this section pursuant to chapter 91.

13 (f) The tax credit allowed under this section shall be
14 available for taxable years beginning after December 31, 2007."

15 SECTION 2. In codifying the new sections added by section
16 1 of this Act, the revisor of statutes shall substitute
17 appropriate section numbers for the letters used in designating
18 the new sections in this Act.

19 SECTION 3. New statutory material is underscored.

20 SECTION 4. This Act shall take effect on July 1, 2007.

21

22



H.B. NO. 1883

INTRODUCED BY:

Callen Mey
Z. R.
~~Amigan~~
Caun Q.

Tom Ward

John M. Meyer
Rida T. Rebell

JAN 24 2007



Report Title:

Tax credits; school tuition

Description:

Provides an income tax credit for school tuition.

