
A BILL FOR AN ACT

RELATING TO TAXATION.

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- Employment of national guard member; income tax
5 credit. (a) There shall be allowed to each qualified taxpayer
6 subject to the tax imposed by this chapter an employment of
7 national guard member income tax credit for each qualified
8 employee. The amount of the credit shall be equal to per
9 cent of a qualified employee's salary or wage costs paid or
10 incurred by the qualified taxpayer during the taxable year;
11 provided further that the maximum credit claimed against the
12 taxpayer's gross income tax liability for a taxable year shall
13 be per qualified employee. The tax credit may be applied
14 against the qualified taxpayer's gross income tax liability for
15 each taxable year that the taxpayer employs a member of the
16 national guard.



1 (b) No credit or deduction shall be allowed under any
2 other provision of this chapter for any amount for which a
3 credit is allowed under this section.

4 (c) If the tax credit claimed by the qualified taxpayer
5 under this section exceeds the amount of the income tax payments
6 due from the taxpayer, the excess of credit over payments due
7 shall be refunded to the taxpayer; provided that the tax credit
8 properly claimed by a qualified taxpayer who has no income tax
9 liability shall be paid to the taxpayer; and provided further
10 that no refund or payment on account of the tax credit allowed
11 by this section shall be made for amounts less than \$1.

12 (d) The director of taxation shall prepare forms as may be
13 necessary to claim a credit under this section, and may require
14 proof of the claim for the tax credit. The director may adopt
15 rules necessary to effectuate the purposes of this section
16 pursuant to chapter 91.

17 (e) Claims for the tax credit under this section,
18 including any amended claims, shall be filed on or before the
19 end of the twelfth month following the taxable year for which
20 the credit may be claimed. Failure to comply with the foregoing
21 provisions shall constitute a waiver of the right to claim the
22 credit.



1 (f) For the purposes of this section:

2 "Qualified employee" means an employee who is a resident of
3 the State and an active member of the national guard during the
4 taxable year in which the credit under this section is being
5 claimed.

6 "Qualified taxpayer" means a taxpayer who employs a
7 qualified employee but does not include a county, the State, or
8 the federal government; and who pays the qualified employee the
9 differential between the deployed employee's national guard pay
10 and the employee's civilian pay."

11 SECTION 2. New statutory material is underscored.

12 SECTION 3. This Act shall take effect on July 1, 2015, and
13 shall apply to the taxable years beginning after December 31,
14 2006.



Report Title:

Tax Credit; Employment of National Guard Members

Description:

Establishes a refundable income tax credit for Hawaii taxpayers who hire State residents who are members of the National Guard.
(HB617 HD1)

