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# 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 "§235- 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 \$1,000, 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	<u>Adjusted Gross Income</u>	<u>Tax Credit</u>
16	<u>Under \$30,000</u>	<u>100%</u>
17	<u>\$30,000 to under \$50,000</u>	<u>70%</u>
18	<u>\$50,000 to under \$75,000</u>	<u>40%</u>



1           \$75,000 and over

25%

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 care  
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, shall  
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 "Caregiver" means a spouse, child, parent, sibling, legal  
19 guardian, a reciprocal beneficiary as that term is defined in  
20 section 572C-3, or any other person who is related by blood,  
21 marriage, or adoption.



1       "Eligible taxpayer" means a caregiver who cares for a  
2 qualified care recipient.

3       "Qualified care recipient" means a person who is sixty  
4 years of age or older, a citizen or resident alien of the United  
5 States, and a relative of the caregiver who:

6       (1) Has co-resided with the caregiver at least six months  
7 of the taxable year for which the credit is claimed;  
8 or

9       (2) Has received more than fifty per cent of the qualified  
10 care recipient's financial support during the taxable  
11 year from the caregiver; and

12       (3) Is certified by a licensed physician or advanced  
13 practice registered nurse as requiring one of the  
14 following:

15       (A) Substantial supervision to protect the qualified  
16 care recipient from threat to health or safety  
17 due to cognitive impairment; or

18       (B) Substantial assistance to perform at least two of  
19 the following activities of daily living:

20               (i) Bathing;

21               (ii) Eating;

22               (iii) Using the toilet;



- 1                    (iv) Dressing; or
- 2                    (v) Transferring, such as from bed to
- 3                    wheelchair."

4                    SECTION 2. New statutory material is underscored.

5                    SECTION 3. This Act shall take effect on July 1, 2007 and  
6 apply to taxable years beginning after December 31, 2007, and  
7 shall be repealed on January 1, 2011.

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INTRODUCED BY:

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JAN 19 2007



**Report Title:**

Caregivers; Tax Credit

**Description:**

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

