
A BILL FOR AN ACT

RELATING TO TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Pursuant to Act 285, Session Laws of Hawaii
2 2006, the legislature established the joint legislative
3 committee on family caregiving, which was tasked with developing
4 public policy to strengthen and support family caregivers who
5 provide unpaid assistance to elderly, disabled individuals. The
6 legislature finds that pursuant to Special Committee Report
7 No. 1, December 27, 2006, the joint legislative committee on
8 family caregiving submitted its findings and recommendations for
9 proposed legislation to assist family caregivers in providing
10 care for elderly, disabled family members, friends, and
11 neighbors.

12 The legislature further finds that the joint legislative
13 committee on family caregiving determined that a key objective
14 is to allow elderly individuals to age-in-place with the help of
15 family caregivers. Enabling these elderly individuals to remain
16 in their own or their families' homes will allow them to live
17 happier, healthier lives and allow the State to benefit from the



1 value of the services provided by family caregivers through the
2 deferral of paid caregiving and institutionalization.

3 Increased support and services must be provided to family
4 caregivers to facilitate family caregiving and aging-in-place
5 efforts. Unfortunately, many homes are not readily equipped
6 with the safety and accessibility measures necessary when caring
7 for elderly or disabled individuals. Many elderly or disabled
8 individuals require modifications for increased accessibility
9 while entering and exiting a home and within a home. Safety
10 features are also necessary for bathroom facilities, such as the
11 sink, toilet, tub, or shower. Although these types of home
12 modifications can prove to be very costly, it will be more
13 costly to move an elderly individual into an outside care
14 facility, if such a facility is even available.

15 The purpose of this Act is to provide a tax credit for
16 taxpayers who make modifications to their homes to accommodate
17 individuals with disabilities.

18 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
19 amended by adding a new section to be appropriately designated
20 and to read as follows:

21 **"§235- Home accessibility features for the disabled tax**
22 **credit.** (a) Each individual taxpayer who files an individual



1 income tax return for a taxable year, and who is not claimed or
2 is not otherwise eligible to be claimed as a dependent by
3 another taxpayer for Hawaii state individual income tax
4 purposes, may claim a home accessibility features for the
5 disabled tax credit against the taxpayer's net individual income
6 tax liability, if any, imposed by this chapter, for the taxable
7 year in which the expenditure for accessibility features was
8 made.

9 (b) The tax credit for an individual taxpayer, including a
10 husband and wife filing a joint return shall be an amount equal
11 to the lesser of the following amounts:

12 (1) \$ _____ ; or

13 (2) _____ per cent of the cost of retrofitting or hiring
14 someone to retrofit a residence with one or more
15 accessibility features;

16 provided that a husband and wife filing separate tax returns for
17 a taxable year for which a joint return could have been filed by
18 them shall claim only the tax credit to which they would have
19 been entitled under this section had a joint return been filed.

20 (c) The credit allowed under this section shall be claimed
21 against net income tax liability for the taxable year. For the
22 purpose of deducting this tax credit, "net income tax liability"



1 means net income tax liability reduced by all other credits
2 allowed the taxpayer under this chapter.

3 All claims for a tax credit under this section shall be
4 filed on or before the end of the twelfth month following the
5 close of the taxable year for which the credit may be claimed.
6 Failure to properly and timely claim the credit shall constitute
7 a waiver of the right to claim the credit.

8 (d) If the tax credit claimed under this section by an
9 eligible taxpayer exceeds the amount of income tax payment due
10 from the taxpayer, the excess of the credit over payments due
11 shall be refunded to the taxpayer; provided that a tax credit
12 properly claimed by an eligible individual who has no income tax
13 liability shall be paid to the individual; and provided further
14 that no refunds or payments on account of the tax credit allowed
15 by this section shall be made for amounts less than \$1.

16 (e) As used in this section, "accessibility features"
17 includes:

18 (1) A no-step entrance allowing access into the residence;

19 (2) Interior passage doors providing a thirty-two inch
20 wide clear opening;

21 (3) Reinforcements in bathroom walls and installation of
22 grab bars around the toilet, tub, and shower;



1 (4) Light switches and outlets placed in wheelchair-
2 accessible locations; or
3 (5) Universal design features or those accessibility or
4 adaptability features prescribed in the building codes
5 of any county in the state;
6 installed and placed in service in the state.
7 (f) The director of taxation may adopt rules under chapter
8 91 and prepare any forms necessary to carry out this section."
9 SECTION 3. New statutory material is underscored.
10 SECTION 4. This Act, upon its approval, shall apply to
11 taxable years beginning after December 31, 2006.



Report Title:

Tax Credit; Home Accessibility Features for the Disabled

Description:

Establishes an income tax credit for taxpayers who make modifications to their home to increase accessibility for individuals with disabilities. (HB824 HD1)

