JAN 1 9 2007

## 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- 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, according to the following
13	schedule:
14	TAX CREDIT SCHEDULE
15	Adjusted Gross Income Tax Credit
16	<u>Under \$30,000</u> <u>100%</u>
17	\$30,000 to under \$50,000 70%

1		\$50,000 to under \$75,000	<u>40%</u>		
2		\$75,000 and over	<u>10%</u>		
3	<u>(c)</u>	An eligible taxpayer may	claim the tax credit for		
4	every tax	able year that the eligib	le taxpayer provides care to a		
5	care reci	pient. Only one caregive	r per household may claim a		
6	tax credi	t for any care recipient	cared for in a taxable year.		
7	An eligible taxpayer may not claim multiple tax credits under				
8	this sect	ion in a taxable year, re	gardless of the number of care		
9	recipients	s receiving care from the	eligible taxpayer.		
10	<u>(d)</u>	An eligible taxpayer sha	ll certify to the department		
11	that the	caxpayer is in compliance	with all applicable federal,		
12	state, and	d county statutes, rules,	and regulations.		
13	<u>(e)</u>	If the tax credit claimed	d by the taxpayer under this		
14	section ex	kceeds the amount of inco	me tax payments due from the		
15	taxpayer,	the excess of credit over	r payments due shall be		
16	refunded t	to the taxpayer; provided	that the tax credit properly		
17	claimed by	y a taxpayer who has no in	ncome tax liability shall be		
18	paid to th	ne taxpayer; and provided	that no refunds or payments		
19	on account	of the tax credit allow	ed by this section shall be		
20	made for a	amounts less than \$1.			
21	<u>(f)</u>	Every claim, including an	mended claims, for the tax		
22	credit und	der this section shall be	filed on or before the end of		
	2007-0569	SB SMA-1.doc			

# S.B. NO. 1199

- 1 the twelfth month following the close of the taxable year for
- 2 which the tax credit may be claimed. Failure to meet the filing
- 3 requirements of this subsection shall constitute a waiver of the
- 4 right to claim the tax credit.
- 5 (g) The director of taxation shall prepare any forms that
- 6 may be necessary to claim a tax credit under this section, may
- 7 require proof of the claim for the tax credit, and may adopt
- 8 rules pursuant to chapter 91 to effectuate the purposes of this
- 9 section.
- 10 (h) The department shall report to the legislature
- 11 annually, no later than twenty days prior to the convening of
- 12 each regular session, on the number of taxpayers claiming the
- 13 tax credit and the total cost of the tax credit to the State
- 14 during the past year.
- 15 (i) The department shall assist the executive office on
- 16 aging in providing information on caregiver services to each
- 17 taxpayer who claims the tax credit.
- (j) As used in this section:
- "Eligible taxpayer" means a caregiver who cares for a
- 20 qualified care recipient.

1	"Qua	lified care recipient" means a person who is sixty
2	years of	age or older, a citizen or resident alien of the United
3	States, a	nd a relative of the caregiver who:
4	<u>(1)</u>	Has co-resided with the caregiver at least six months
5		of the taxable year for which the credit is claimed;
6		<u>or</u>
7	(2)	Has received more than fifty per cent of the qualified
8		care recipient's financial support during the taxable
9		year from the caregiver; and
10	<u>(3)</u>	Is certified by a licensed physician or advanced
11		practice registered nurse as requiring one of the
12		following:
13		(A) Substantial supervision to protect the qualified
14		care recipient from threat to health or safety
15		due to cognitive impairment; or
16		(B) Substantial assistance to perform at least two of
17		the following activities of daily living:
18		(i) Bathing;
19		(ii) Eating;
20		(iii) Using the toilet;
21		(iv) Dressing: or

1	(v) Transferring, such as from bed to
2	wheelchair.
3	"Relative" means a spouse, child, parent, sibling, legal
4	guardian, a reciprocal beneficiary as that term is defined in
5	section 572C-3, or any other person who is related by blood,
6	marriage, or adoption."
7	SECTION 2. New statutory material is underscored.
8	SECTION 3. This Act, upon its approval, shall apply to
9	taxable years beginning after December 31, 2006, and shall be
10	repealed on December 31, 2009.
11	INTRODUCED BY: Du dlin
	Harly Il Boken
	Frank Coun Cakland
	Will From

#### Report Title:

Caregivers; Tax Credit

### Description:

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