### 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 amount of the caregiver tax credit shall be based		
11	on adjusted gross income of the caregiver as defined in the		
12	Internal Revenue Code of 1986, as amended, according to the		
13	following schedule:		
14	TAX CREDIT SCHEDULE		
15	Adjusted Gross Income Tax Credit		
16	\$29,999 and under \$1,000		
17	\$30,000 to \$49,999 \$ 700		
18	\$50,000 to \$74,999 \$ 400		

1	\$75,000 and over $$250$
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 taxpayer's tax liability, the excess of
14	credit over tax liability shall be refunded to the taxpayer;
15	provided that the tax credit properly claimed by a taxpayer who
16	has no income tax liability shall be paid to the taxpayer; and
17	provided that no refunds or payments on account of the tax
18	credit allowed by this section shall be made for amounts less
19	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

## H.B. NO. 1528

- 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:
- "Caregiver" means a spouse, child, parent, sibling, legal
- 19 quardian, 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 to the person cared for.



1	<u>"Eli</u>	gible taxpayer" means a caregiver who cares for a
2	qualified	care recipient.
3	"Qua	lified care recipient" means a person who is sixty
4	years of	age or older, a citizen or resident alien of the United
5	States, a	nd a relative of the caregiver who:
6	(1)	Has resided with the caregiver for at least six months
7		of the taxable year for which the credit is claimed;
8		<u>or</u>
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;

8

# H.B. NO. 1528

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 upon its approval,
6	apply to taxable years beginning after December 31, 2009, and be
7	repealed on January 1, 2013.

INTRODUCED BY:

Rella a Blatts
Rich actanlla

Milela

Mulle Canall

Mele Canall

Jarbara Marumoti
Cirly Elms

Mark SMII main 18. Lee Mahaly Murroy Gottain Thelen

HB LRB 09-0968.doc

JAN 2 8 2009

### Report Title:

Caregivers; Tax Credit

### Description:

Provides a tax credit against income tax to caregivers who care for qualified care recipients in graduated amounts from \$250 to \$1,000 based on adjusted gross income. Applies to taxable years beginning after 12/31/2009, and repealed on 01/01/2013.