HOUSE OF REPRESENTATIVES TWENTY-FIFTH LEGISLATURE, 2010 STATE OF HAWAII

H.B. NO. ¹⁹⁰⁷ H.D. 1 S.D. 1

A BILL FOR AN ACT

RELATING TO TAXATION.

	BE IT ENAC	TED BY THE LEGISLATURE OF THE STATE OF HAWAII:
1		PART I
2	SECTI	ION 1. Chapter 235, Hawaii Revised Statutes, is
3	amended by	y adding a new section to be appropriately designated
4	and to rea	ad as follows:
5	" <u>§235</u>	5- Itemized deductions; limitation. (a)
6	Notwithsta	anding any other law to the contrary, itemized tax
7	deductions	s claimed pursuant to this chapter shall not exceed:
8	<u>(</u> 1)	\$100,000 in the case of:
9		(A) A joint return as provided by section 235-93; or
10		(B) A surviving spouse (as defined in Section 2(a) of
11		the Internal Revenue Code);
12	(2)	\$80,000 in the case of a head of household (as defined
13		in Section 2(b) of the Internal Revenue Code);
14	(3)	\$50,000 in the case of an individual who is not
15		married and who is not a surviving spouse or head of
16		household; or
17	(4)	\$50,000 in the case of a married individual filing a
18		separate return.



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1	(b) This section shall be repealed on December 31, 2015."		
2	PART II		
3	SECTION 2. The legislature finds that the current economic		
4	crisis and the resulting dire financial forecasts require a		
5	thorough investigation into ways to reduce state expenses		
6	wherever possible. Expenses that were funded in the past, when		
7	state funds were available, may now be inappropriate,		
8	considering the billion-dollar state deficit that looms ahead.		
9	The purpose of this part is to reduce current state		
10	expenses by removing until December 31, 2015, the refunding		
11	feature of the capital goods excise tax credit.		
12	SECTION 3. Section 235-110.7, Hawaii Revised Statutes, is		
13	amended by amending subsection (b) to read as follows:		
14	"(b) If the capital goods excise tax credit allowed under		
15	subsection (a) exceeds the taxpayer's net income tax liability,		
16	the excess of credit over liability shall be refunded to the		
17	taxpayer; provided that from January 1, 2010, to December 31,		
18	2015, the excess credit shall not be refunded, but may be		
19	claimed in subsequent years until exhausted; provided further		
20	that no refunds or payment on account of the tax credit allowed		
21	by this section shall be made for amounts less than \$1.		



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1	All claims for tax credits under this section, including
2	any amended claims, must be filed on or before the end of the
3	twelfth month following the close of the taxable year for which
' 4	the credits may be claimed. Failure to comply with the
5	foregoing provision shall constitute a waiver of the right to
6	claim the credit."
7	PART III
8	SECTION 4. Statutory material to be repealed is bracketed
9	and stricken. New statutory material is underscored.
10	SECTION 5. This Act shall take effect on July 1, 2050, and
11	shall apply to taxable years beginning after December 31, 2009.



Report Title:

Itemized Deductions - Standard Deduction; Capital Goods Excise Tax Credit

Description:

Places a cap on itemized deductions claimed on state income tax returns. Applies to taxable years beginning after 12/31/09 and sunsets on 12/31/15. Removes the refunding feature of the capital goods excise tax credit from 01/01/10 to 12/31/15. Effective July 1, 2050.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

