JAN 2 6 2011

A BILL FOR AN ACT

RELATING TO A COLLEGE SAVINGS PROGRAM TAX CREDIT.

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- College savings program tax credit. (a) There				
5	shall be allowed to each taxpayer subject to the tax imposed				
6	under this chapter, a college savings program tax credit equal				
7	to the amount determined under subsections (b), (c), and (d).				
8	The tax credit shall apply to any contribution made on or after				
9	January 1, 2013, and before January 1, 2018, to the account of a				
10	designated beneficiary in the Hawaii college savings program				
11	under chapter 256; provided that the credit shall not apply to				
12	contributions rolled over from another account or any other				
13	source.				
14	(b) For taxpayers filing jointly, the tax credit shall be				
15	the following amounts of the taxpayers' adjusted gross income:				
16	If the adjusted gross income is: The tax credit shall be:				
17	Less than \$ % of the amount				
18	contributed				



1		s or more,	% of the amount
2		but less than \$	contributed
3		\$ or more,	% of the amount
4		but less than \$	contributed
5		\$ or more,	% of the amount
6			contributed.
7	(c)	For taxpayers filing individ	ually, the tax credit
8	shall be	the following amounts of the	taxpayers' adjusted gross
9	income:		
10	If t	he adjusted gross income is:	The tax credit shall be:
11		Less than \$	% of the amount
12			contributed
13		\$ or more,	% of the amount
14		but less than \$	contributed
15		\$ or more,	% of the amount
16		but less than \$	contributed
17		\$ or more,	% of the amount
18			contributed.
19	(d)	For taxpayers filing as head	of household, the tax
20	credit sh	all be the following amounts	of the taxpayers' adjusted
21	gross inco	ome:	
22	If t	ne adjusted gross income is:	The tax credit shall be:
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1		Less thar	า \$		% of the amount
2					contributed
3		\$ -	or more,		% of the amount
4		but	less than \$	L.	contributed
5		\$	or more,		% of the amount
6		but	less than \$		contributed
7		\$	or more,		% of the amount
8					contributed.
9	(e)	The amour	nt of the ta	x credit t	aken shall not exceed
10	\$500 for	contributi	lons made or	behalf of	each designated
11	beneficia	ry during	each taxabl	e year.	
12	(f)	For purpo	ses of this	section,	the term "designated
13	beneficia	ry" shall	have the sa	me meaning	as in section 256-1.
14	(g)	No tax cr	redit shall	be allowed	under this section for
15	any contr	ibution ma	ade on behal	f of any d	esignated beneficiary
16	when the	value of t	he benefici	ary's acco	ount at the time of the
17	contribut	ion equals	or exceeds	the maxim	um investment level
18	referred	to under s	section 256-	4(1).	
19	(h)	The tax i	mposed by t	his chapte	r for the taxable year
20	shall be	increased	by an amoun	t equal to	the tax credit allowed
21	under subs	section (a	a) for that	taxable ye	ar and all prior taxable

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1	years for contributions made by the taxpayer to a Hawaii colleg				
2	savings program account when:				
3	(1) The taxpayer cancels the tuition savings agreement				
4	under chapter 256; or				
5	(2) The taxpayer makes a nonqualified withdrawal as				
6	defined in section 256-1.				
7	(i) The director of taxation shall prepare such forms as				
8	may be necessary to claim a credit under this section, may				
9	require proof of the claim for the tax credit, and may adopt				
10	rules pursuant to chapter 91 to effectuate this section.				
11	(j) Claims for the tax credit under this section,				
12	including any amended claims thereof, shall be filed on or				
13	before the end of the twelfth month following the taxable year				
14	for which the credit may be claimed. Failure to properly and				
15	timely claim the credit shall constitute a waiver of the right				
16	to claim the credit.				
17	(k) If the tax credit under this section exceeds the				
18	taxpayer's income tax liability, the excess of credit over				
19	liability may be used as a credit against the taxpayer's income				
20	tax liability in subsequent years until exhausted."				
21	SECTION 2. New statutory material is underscored.				

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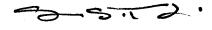
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1 SECTION 3. This Act, upon its approval, shall apply to

2 taxable years beginning after December 31, 2012.

3

INTRODUCED BY:



By Request

Report Title:

College Savings Program Tax Credit

Description:

Establishes a college savings program tax credit.

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