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# 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-     Income tax credit for hiring developmentally,  
5 intellectually, or physically disabled individuals. (a) There  
6 shall be allowed to each taxpayer subject to the tax imposed by  
7 this chapter, a credit for the hiring of a developmentally,  
8 intellectually, or physically disabled individual at a business  
9 owned by the taxpayer during the taxable year. The tax credit  
10 shall be deductible from the taxpayer's net income tax  
11 liability, if any, imposed by this chapter for the taxable year  
12 in which the credit is properly claimed.

13           (b) The amount of the credit shall be equal to fifty per  
14 cent of the qualified wages for the first six months after the  
15 developmentally, intellectually, or physically disabled  
16 individual is hired. A tax credit that exceeds the taxpayer's  
17 income tax liability may be used as a credit against the  
18 taxpayer's income tax liability in subsequent years until



1 exhausted; provided that in no taxable year shall the total  
2 amount of the tax credit claimed under this section exceed  
3 \$ .

4 (c) For the purposes of this section:

5 "Disabled" means having a physical or intellectual  
6 impairment that substantially limits one or more major life  
7 activities, having record of such impairment, or being regarded  
8 as having such impairment; provided that the condition has been  
9 confirmed by a non-profit organization working with  
10 developmentally, intellectually, or physically disabled  
11 individuals, such as, but not limited to, the Easter Seals or  
12 the Friendship House.

13 "Qualified wages" means wages attributable to work rendered  
14 by a developmentally, intellectually, or physically disabled  
15 individual for the six-month period after the individual is  
16 hired.

17 (d) The director of taxation:

18 (1) Shall prepare any forms necessary to claim a credit  
19 under this section;

20 (2) May require a taxpayer to furnish reasonable  
21 information in order to ascertain the validity of a  
22 claim for credit; and



1       (3) May adopt rules pursuant to chapter 91 to effectuate  
2       the purposes of this section.

3       (e) Claims for the tax credit under this section,  
4       including any amended claims, shall be filed on or before the  
5       end of the twelfth month following the taxable year for which  
6       the credit is claimed. Failure to comply with the foregoing  
7       provision shall constitute a waiver of the right to claim the  
8       tax credit."

9       SECTION 2. New statutory material is underscored.

10       SECTION 3. This Act shall take effect on July 1, 2030, and  
11 shall apply to taxable years beginning after December 31, 2012.



**Report Title:**

Tax Credit; Developmental, Intellectual, or Physical Disability;  
Employment

**Description:**

Provides a nonrefundable income tax credit at fifty per cent of qualified wages for the first six months for a taxpayer who hires a developmentally, intellectually, or physically disabled individual. Effective July 1, 2030. (HB1298 HD1)

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

