

JAN 16 2014

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# A BILL FOR AN ACT

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RELATING TO INCOME TAX CREDITS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

SECTION 1. Section 235-55.7, Hawaii Revised Statutes, is amended to read as follows:

"§235-55.7 Income tax credit for low-income household renters. (a) As used in this section:

(1) "Adjusted gross income" is defined by section 235-1.

(2) "Consumer Price Index" means the Consumer Price Index for All Urban Consumers published by the United States Department of Labor.

~~[-(2)-]~~ (3) "Qualified exemption" includes those exemptions permitted under this chapter; provided that a person for whom exemption is claimed has physically resided in the State for more than nine months during the taxable year; and provided that multiple exemption shall not be granted because of deficiencies in vision, hearing, or other disability.

~~[-(3)-]~~ (4) "Rent" means the amount paid in cash in any taxable year for the occupancy of a dwelling place which is used by a resident taxpayer or the resident



1 taxpayer's immediate family as the principal residence  
2 in this State. Rent is limited to the amount paid for  
3 the occupancy of the dwelling place only, and is  
4 exclusive of charges for utilities, parking stalls,  
5 storage of goods, yard services, furniture,  
6 furnishings, and the like. Rent shall not include any  
7 rental claimed as a deduction from gross income or  
8 adjusted gross income for income tax purposes, any  
9 ground rental paid for use of land only, and any rent  
10 allowance or subsidies received.

11 (b) Each resident taxpayer who occupies and pays rent for  
12 real property within the State as the resident taxpayer's  
13 residence or the residence of the resident taxpayer's immediate  
14 family which is not partially or wholly exempted from real  
15 property tax, who is not eligible to be claimed as a dependent  
16 for federal or state income taxes by another, and who files an  
17 individual net income tax return for a taxable year, may claim a  
18 tax credit under this section against the resident taxpayer's  
19 Hawaii state individual net income tax.

20 (c) Each taxpayer with an adjusted gross income of less  
21 than [~~\$30,000~~] \$59,700 who has paid more than \$1,000 in rent  
22 during the taxable year for which the credit is claimed may



1 claim a tax credit of [~~\$50~~] \$146 multiplied by the number of  
2 qualified exemptions to which the taxpayer is entitled; provided  
3 each taxpayer sixty-five years of age or over may claim double  
4 the tax credit; and provided that a resident individual who has  
5 no income or no income taxable under this chapter may also claim  
6 the tax credit as set forth in this section.

7 (d) For each taxable year beginning after December 31,  
8 2014, each dollar amount contained in subsection (c) shall be  
9 increased by an amount equal to such dollar amount, multiplied  
10 by the percentage, if any, by which the Consumer Price Index for  
11 the preceding calendar year exceeds the Consumer Price Index for  
12 the calendar year 2015.

13 [~~(d)~~] (e) If a rental unit is occupied by two or more  
14 individuals, and more than one individual is able to qualify as  
15 a claimant, the claim for credit shall be based upon a pro rata  
16 share of the rent paid.

17 [~~(e)~~] (f) The tax credits shall be deductible from the  
18 taxpayer's individual net income tax for the tax year in which  
19 the credits are properly claimed; provided that a husband and  
20 wife filing separate returns for a taxable year for which a  
21 joint return could have been made by them shall claim only the  
22 tax credits to which they would have been entitled had a joint



1 return been filed. In the event the allowed tax credits exceed  
2 the amount of the income tax payments due from the taxpayer, the  
3 excess of credits over payments due shall be refunded to the  
4 taxpayer; provided that allowed tax credits properly claimed by  
5 an individual who has no income tax liability shall be paid to  
6 the individual; and provided further that no refunds or payments  
7 on account of the tax credits allowed by this section shall be  
8 made for amounts less than \$1.

9 ~~[(f)]~~ (g) The director of taxation shall prepare and  
10 prescribe the appropriate form or forms to be used herein, may  
11 require proof of the claim for tax credits, and may adopt rules  
12 pursuant to chapter 91.

13 ~~[(g)]~~ (h) All of the provisions relating to assessments  
14 and refunds under this chapter and under section 231-23(c)(1)  
15 shall apply to the tax credits hereunder.

16 ~~[(h)]~~ (i) Claims for tax credits under this section,  
17 including any amended claims thereof, shall be filed on or  
18 before the end of the twelfth month following the taxable year  
19 for which the credit may be claimed."

20 SECTION 2. Statutory material to be repealed is bracketed  
21 and stricken. New statutory material is underscored.



1        SECTION 3. This Act shall take effect upon its approval,  
2 and shall apply to taxable years beginning after December 31,  
3 2014.  
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# S.B. NO. 2208

**Report Title:**

Income Tax Credit; Low-Income Household Renters

**Description:**

Amends income tax credit for low-income household renters to adjust for inflation.

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

