

JAN 23 2015

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# A BILL FOR AN ACT

RELATING TO TAX CREDITS.

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

1       SECTION 1.   Section 235-55.85, Hawaii Revised Statutes, is  
2 amended as follows:

3       1.   By amending subsections (b) and (c) to read:

4       " (b)   Each resident individual taxpayer may claim a  
5 refundable food/excise tax credit multiplied by the number of  
6 qualified exemptions to which the taxpayer is entitled in  
7 accordance with the table below; provided that a husband and  
8 wife filing separate tax returns for a taxable year for which a  
9 joint return could have been filed by them shall claim only the  
10 tax credit to which they would have been entitled had a joint  
11 return been filed.

12	Adjusted gross income	Credit per exemption
13	Under [ <del>\$5,000</del> ] <u>\$5,700</u>	[ <del>\$85</del> ] <u>\$96</u>
14	[ <del>\$5,000</del> ] <u>\$5,700</u> under [ <del>\$10,000</del> ] <u>\$11,300</u>	[ <del>75</del> ] <u>\$85</u>
15	[ <del>\$10,000</del> ] <u>\$11,300</u> under [ <del>\$15,000</del> ] <u>\$17,000</u>	[ <del>65</del> ] <u>\$74</u>
16	[ <del>\$15,000</del> ] <u>\$17,000</u> under [ <del>\$20,000</del> ] <u>\$22,700</u>	[ <del>55</del> ] <u>\$62</u>
17	[ <del>\$20,000</del> ] <u>\$22,700</u> under [ <del>\$30,000</del> ] <u>\$34,000</u>	[ <del>45</del> ] <u>\$51</u>



1        [~~\$30,000~~] \$34,000 under [~~\$40,000~~] \$45,300        [35] \$40

2        [~~\$40,000~~] \$45,300 under [~~\$50,000~~] \$56,500        [25] \$28

3        [~~\$50,000~~] \$56,500 and over        \$0

4        (c)    [~~For the purposes of this section, a qualified~~  
5    ~~exemption is defined to include those exemptions permitted under~~  
6    ~~this chapter; provided that no additional exemption may be~~  
7    ~~claimed by a taxpayer who is sixty five years of age or older;~~  
8    ~~provided that a person for whom exemption is claimed has~~  
9    ~~physically resided in the State for more than nine months during~~  
10   ~~the taxable year; and provided further that multiple exemptions~~  
11   ~~shall not be granted because of deficiencies in vision or~~  
12   ~~hearing, or other disability. For purposes of claiming this~~  
13   ~~credit only, a minor child receiving support from the department~~  
14   ~~of human services of the State, social security survivor's~~  
15   ~~benefits, and the like, may be considered a dependent and a~~  
16   ~~qualified exemption of the parent or guardian.] In the case of  
17   any taxable year beginning in a calendar year after 2015, each  
18   dollar amount contained in subsection (b) shall be increased by  
19   the percentage, if any, by which the consumer price index for  
20   the preceding calendar year exceeds the consumer price index for~~



1 the calendar year 2015, otherwise the amounts in subsection (b)  
2 shall remain unchanged."

3 2. By amending subsection (g) to read:

4 "(g) For the purposes of this section[, ~~"adjusted~~]:

5 "Adjusted gross income" means adjusted gross income as  
6 defined by the Internal Revenue Code.

7 "Consumer price index" means the consumer price index for  
8 all urban consumers published by the United States Department of  
9 Labor.

10 "Qualified exemption" means those exemptions permitted  
11 under this chapter; provided that:

12 (1) No additional exemption may be claimed by a taxpayer  
13 who is sixty-five years of age or older;

14 (2) A person who claims an exemption has physically  
15 resided in the State for more than nine months during  
16 the taxable year; and

17 (3) Multiple exemptions shall not be granted because of  
18 deficiencies in vision or hearing, or other  
19 disability.

20 For purposes of claiming this credit only, a minor child  
21 receiving support from the department of human services, social



1 security survivor's benefits, or similar programs of public  
 2 assistance, may be considered a dependent and a qualified  
 3 exemption of the parent or guardian."

4 SECTION 2. Statutory material to be repealed is bracketed  
 5 and stricken. New statutory material is underscored.

6 SECTION 3. This Act, upon its approval, shall apply to  
 7 taxable years beginning after December 31, 2015.

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# S.B. NO. 581

**Report Title:**

Food/Excise Tax Credit; Inflation Adjustment

**Description:**

Increases the adjusted gross income and credit per exemption amounts regarding the refundable food/excise tax credit. Requires these dollar amounts to be adjusted for inflation beginning in tax year 2016.

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

