
A BILL FOR AN ACT

RELATING TO HOUSING.

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- Residential housing; visitability standards;
5 income tax credit. (a) There shall be allowed to each taxpayer
6 subject to the taxes imposed by this chapter a tax credit for
7 qualified expenses in the construction or renovation of
8 residential housing. The tax credit shall be deductible from
9 the taxpayer's net income tax liability, if any, imposed by this
10 chapter for the taxable year in which the credit is properly
11 claimed.

12 (b) In the case of a partnership, S corporation, estate,
13 or trust, the tax credit allowable is for qualified expenses
14 incurred by the entity for the taxable year. The expenses upon
15 which the tax credit is computed shall be determined at the
16 entity level. Distribution and share of credit shall be
17 determined pursuant to section 704(b) (with respect to a



1 partner's distributive share) of the Internal Revenue Code of
2 1986, as amended.

3 (c) The amount of the tax credit shall be equal to
4 per cent of the qualified expenses of the taxpayer; provided
5 that the amount of credit shall not exceed the applicable cap
6 amount, which is determined as follows:

7 (1) Single-family residential property:

8 (A) If the residential housing is one single-family
9 residential property, \$3,000; or

10 (B) If the residential housing is a development
11 project of several single-family residential
12 units, \$300 per unit; provided that the total
13 amount of tax credit shall not exceed \$20,000 per
14 development project; or

15 (2) Multi-family residential property:

16 If the residential housing is a multi-family
17 residential property, \$300 per unit; provided that the
18 total amount of tax credit shall not exceed \$20,000.

19 There shall be allowed a maximum of one tax credit for each
20 tax map key number under this section.

21 (d) The director of taxation:



1 (1) Shall prepare any forms that may be necessary to claim
2 a tax credit under this section;

3 (2) May require the taxpayer to furnish reasonable
4 information to ascertain the validity of the claim for
5 the tax credit made under this section; and

6 (3) May adopt rules under chapter 91 necessary to
7 effectuate the purposes of this section.

8 (e) If the tax credit under this section exceeds the
9 taxpayer's income tax liability, the excess of the credit over
10 liability may be used as a credit against the taxpayer's income
11 tax liability in subsequent years until exhausted. All claims
12 for the tax credit under this section, including amended claims,
13 shall be filed on or before the end of the twelfth month
14 following the close of the taxable year for which the credit may
15 be claimed. Failure to comply with the foregoing provision
16 shall constitute a waiver of the right to claim the credit.

17 (f) This section shall apply to taxable years beginning
18 after December 31, 2018, and shall not apply to taxable years
19 beginning after December 31, 2022.

20 (g) As used in this section:



1 "Housing visitability standards" are the specifications,
2 designated as Type C in the International Code Council/American
3 National Standards Institute (ICC/ANSI) A117.1 Standard on
4 Accessible and Usable Buildings and Facilities, that provide
5 accessibility and safety for individuals with disabilities when
6 visiting or using residential space.

7 "Qualified expenses" means costs of construction and
8 renovation that are necessary and directly incurred by the
9 taxpayer in order to comply with all of the following housing
10 visitability standards:

- 11 (1) At least one zero-step entrance into a home, on an
12 accessible route leading from a driveway or public
13 sidewalk;
- 14 (2) Interior doors with at least thirty-two inches of
15 clear passage space through which a wheelchair may be
16 navigated;
- 17 (3) At least one wheelchair-accessible full bathroom on
18 the main floor of the home that is large enough for a
19 person to access in a wheelchair and close the
20 bathroom door from inside the bathroom;



1 (4) At least one accessible bedroom on the main floor of
2 the home;

3 (5) Hallways with at least thirty-six inches of clear
4 passage to allow maneuvering space for a wheelchair;

5 (6) Light switches and electrical outlets that are
6 accessible to a person using a wheelchair; and

7 (7) Smoke detectors that permit both visible and audible
8 detection of an alarm."

9 SECTION 2. New statutory material is underscored.

10 SECTION 3. This Act, upon its approval, shall apply to
11 taxable years beginning after December 31, 2018.



Report Title:

Residential Housing; Visitability Standards; Income Tax Credit

Description:

Establishes an income tax credit, limited to one credit per tax map key number, for a portion of the cost of construction or renovation for purposes of compliance with Type C residential housing visitability standards. (HB1920 HD1)

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