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# A BILL FOR AN ACT

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RELATING TO INCOME TAX CREDIT.

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

1           SECTION 1. The legislature finds that when a taxpayer  
2 modifies a personal vehicle to allow a disabled person to enter,  
3 exit, or operate the vehicle, they have to pay the general  
4 excise tax for costs related to those modifications.

5           The legislature further finds that in order to encourage  
6 taxpayers to purchase or modify vehicles for use by persons with  
7 a disability, which provides them with an independent mode of  
8 travel, a tax credit to offset the cost of the purchase or  
9 modifications is necessary.

10           The purpose of this Act is to establish a nonrefundable  
11 income tax credit for the purchase or modification of a vehicle  
12 for use by a person with a disability.

13           SECTION 2. Chapter 235, Hawaii Revised Statutes, is  
14 amended by adding a new section to be appropriately designated  
15 and to read as follows:

16           "§235-       Nonrefundable income tax credit for the purchase  
17 or modification of vehicle for use by a person with a



1 disability. (a) Each individual taxpayer, who files an  
2 individual income tax return for a taxable year, and who:

3 (1) Is not claimed or is not otherwise eligible to be  
4 claimed as a dependent by another taxpayer for federal  
5 or Hawaii state individual income tax purposes; and

6 (2) Purchases or modifies a personal vehicle as described  
7 in subsection (b),

8 may claim a nonrefundable motor vehicle tax credit against the  
9 taxpayer's individual income tax liability for the taxable year  
10 for which the income tax return is being filed.

11 (b) The nonrefundable motor vehicle tax credit may be  
12 claimed as follows:

13 (1) per cent of the cost to purchase a vehicle with  
14 an accessibility lift or ramp or modify a vehicle to  
15 add an accessibility lift or ramp, up to a maximum of  
16 \$800;

17 (2) per cent of the cost to purchase a vehicle that  
18 is fully adaptable for use by a person with a  
19 disability or modify a vehicle to be fully adaptable  
20 for use by a person with a disability, up to a maximum  
21 of \$5,000;



1 provided that taxpayers who are married filing separately shall  
2 only claim the tax credit they could have claimed if the  
3 taxpayers had filed jointly.

4 (c) If the tax credit under this section exceeds the  
5 taxpayer's income tax liability, the excess of the credit over  
6 liability may be used as a credit against the taxpayer's income  
7 liability in subsequent years until exhausted.

8 (d) The director of taxation:

9 (1) Shall prepare such forms as may be necessary to claim  
10 a credit under this section;

11 (2) May require proof of the claim for the tax credit; and

12 (3) May adopt rules pursuant to chapter 91 necessary to  
13 effectuate the purposes of this section.

14 (e) All of the provisions relating to assessments and  
15 refunds under this chapter and under section 231-23(c)(1) shall  
16 apply to the tax credit under this section.

17 (f) Claims for the tax credit under this section,  
18 including any amended claims, shall be filed on or before the  
19 end of the twelfth month following the taxable year for which  
20 the credit may be claimed."

21 SECTION 3. New statutory material is underscored.



1       SECTION 4. This Act shall take effect on July 1, 3000 and  
2 shall apply to taxable years beginning after December 31, 2018.



**Report Title:**

Disabled Persons Parking; Income Tax Credit

**Description:**

Provides a nonrefundable income tax credit to a taxpayer who purchases or modifies a personal vehicle for use by a person with a disability. Applies to taxable years beginning after December 31, 2018. (HB2231 HD1)

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

