
A BILL FOR AN ACT

RELATING TO TAXATION.

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

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

3 1. By amending subsection (a) to read:

4 "(a) As used in this section:

5 (1) "Adjusted gross income" [~~is defined by section 235-1.~~]
6 means adjusted gross income as defined by the Internal
7 Revenue Code.

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

15 (3) "Rent" means the amount paid in cash in any taxable
16 year for the occupancy of a dwelling place which is
17 used by a resident taxpayer or the resident taxpayer's



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

11 2. By amending subsection (c) to read:

12 "(c) Each taxpayer [~~with an adjusted gross income of less~~
13 ~~than \$30,000~~] who has paid more than \$1,000 in rent during the
14 taxable year for which the credit is claimed may claim a tax
15 credit [~~of \$50~~] multiplied by the number of qualified exemptions
16 to which the taxpayer is entitled[+] in accordance with the
17 table below; provided that each taxpayer sixty-five years of age
18 or over may claim double the tax credit; and provided further
19 that a resident individual who has no income or no income
20 taxable under this chapter may also claim the tax credit as set



1 forth in this section. The tax credit shall be calculated as
2 follows:

3 (1) Taxpayer filing a single return or a married person
4 filing separately:

5	<u>Adjusted gross income</u>	<u>Credit per exemption</u>
6	<u>Not over \$15,000</u>	\$ _____
7	<u>Over \$15,000 but not over \$25,000</u>	\$ _____
8	<u>Over \$25,000 but not over \$35,000</u>	\$ _____

9 (2) Taxpayer filing as a head of household:

10	<u>Adjusted gross income</u>	<u>Credit per exemption</u>
11	<u>Not over \$25,000</u>	\$ _____
12	<u>Over \$25,000 but not over \$37,500</u>	\$ _____
13	<u>Over \$37,500 but not over \$50,000</u>	\$ _____

14 (3) Taxpayer filing a joint return under section 235-93 or
15 a surviving spouse:

16	<u>Adjusted gross income</u>	<u>Credit per exemption</u>
17	<u>Not over \$30,000</u>	\$ _____
18	<u>Over \$30,000 but not over \$50,000</u>	\$ _____
19	<u>Over \$50,000 but not over \$70,000</u>	\$ _____."

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 on July 1, 2050, and
2 shall apply to taxable years beginning after December 31, 2018.



Report Title:

Income Tax Credit; Low-Income Household Renters

Description:

Expands the low income-household renters' income tax credit based on adjusted gross income and filing status. Amends definition of adjusted gross income to match federal definition.
(HB2672 HD1)

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