
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-~~
6 ~~1-] 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 for whom
10 exemption is claimed has physically resided in the State for
11 more than nine months during the taxable year; and provided that
12 multiple exemption shall not be granted because of deficiencies
13 in vision, hearing, or other disability.

14 ~~[(3)] "Rent" means the amount paid in cash in any taxable~~
15 year for the occupancy of a dwelling place which is used by a
16 resident taxpayer or the resident taxpayer's immediate family as
17 the principal residence in this State. Rent is limited to the



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

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

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

20 (1) For a taxpayer filing a single return or a married
21 person filing separately:



1	<u>Adjusted gross income</u>	<u>Credit per exemption</u>
2	<u>Not over \$15,000</u>	\$ _____
3	<u>Over \$15,000 but not over \$25,000</u>	\$ _____
4	<u>Over \$25,000 but not over \$35,000</u>	\$ _____

5 (2) For a taxpayer filing as a head of household:

6	<u>Adjusted gross income</u>	<u>Credit per exemption</u>
7	<u>Not over \$25,000</u>	\$ _____
8	<u>Over \$25,000 but not over \$37,500</u>	\$ _____
9	<u>Over \$37,500 but not over \$50,000</u>	\$ _____

10 (3) For a taxpayer filing a joint return under section
11 235-93 or a surviving spouse:

12	<u>Adjusted gross income</u>	<u>Credit per exemption</u>
13	<u>Not over \$30,000</u>	\$ _____
14	<u>Over \$30,000 but not over \$50,000</u>	\$ _____
15	<u>Over \$50,000 but not over \$70,000</u>	\$ _____."

16 SECTION 2. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 3. This Act shall take effect on July 1, 2050, and
19 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 the definition of adjusted gross income to match federal definition. Effective 7/1/2050. (SD1)

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