

JAN 19 2018

S.B. NO. 2696

A BILL FOR AN ACT

RELATING TO TAXATION.

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- Income tax credit for wages of former inmates
5 hired by a technology business. (a) There shall be allowed to
6 each taxpayer subject to the tax imposed by this chapter, a tax
7 credit for certain wages paid to former inmates employed by a
8 technology business owned by the taxpayer. The tax credit shall
9 be deductible from the taxpayer's net income tax liability
10 imposed by this chapter for the taxable year in which the credit
11 is properly claimed.
12 (b) The amount of the credit shall be equal to per
13 cent of the qualified wages for the first six months after the
14 former inmate is hired.
15 Tax credits that exceed the taxpayer's income tax liability
16 may be used as a credit against the taxpayer's income tax
17 liability in subsequent years until exhausted; provided that in



1 no taxable year shall the total amount of tax credits claimed
2 under this section exceed \$.

3 (c) For the purposes of this section:

4 "Former inmate" means a person formerly placed in the
5 custody of the department of public safety.

6 "Qualified wages" means wages attributable to work rendered
7 during the taxable year for the six-month period after a former
8 inmate is hired.

9 "Technology business" shall have the same meaning as in
10 section 480-4(d).

11 (d) The director of taxation:

12 (1) Shall prepare any forms necessary to claim a credit
13 under this section;

14 (2) May require a taxpayer to furnish reasonable
15 information in order to ascertain the validity of a
16 claim for credit; and

17 (3) May adopt rules pursuant to chapter 91 to effectuate
18 the purposes of this section.

19 (e) Claims for the tax credit under this section,
20 including any amended claims, shall be filed on or before the
21 end of the twelfth month following the taxable year for which

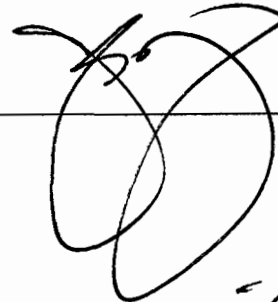


1 the credit is claimed. Failure to comply with the foregoing
2 provision shall constitute a waiver of the right to claim the
3 credit."

4 SECTION 2. New statutory material is underscored.

5 SECTION 3. This Act, upon its approval, shall apply to
6 taxable years beginning after December 31, 2017.
7


INTRODUCED BY: _____



Clarence Mitchell



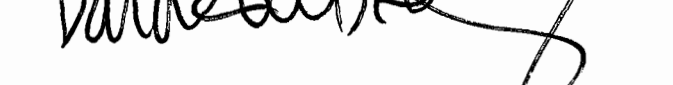
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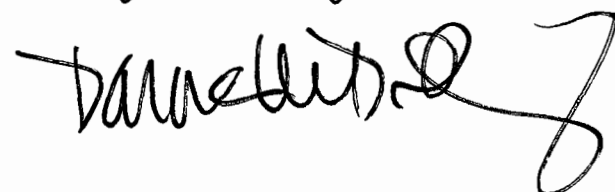
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S.B. NO. 2696

Report Title:

Income Tax Credit; Former Inmate Hires; Technology Businesses

Description:

Provides an income tax credit for wages paid by a technology business owner to employees who were formerly in the custody of the department of public safety.

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

