

JAN 24 2018

A BILL FOR AN ACT

RELATING TO INCOME TAX CREDIT.

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

1 SECTION 1. The legislature finds that the personal income
2 tax credits, as established under part III of chapter 235,
3 Hawaii Revised Statutes, establishes various tax credits that
4 qualified Hawaii taxpayers may claim to reduce their personal
5 income tax liability.

6 The legislature further finds that when a taxpayer modifies
7 a personal vehicle to allow a disabled person to enter, exit, or
8 operate the vehicle, they have to pay the general excise tax for
9 costs related to those modifications.

10 The legislature finds that in order to encourage taxpayers
11 to purchase or modify vehicles for use by persons with a
12 disability, which provides them with an independent mode of
13 travel, a tax credit to offset the cost of the purchase or
14 modifications is necessary.

15 The purpose of this Act is to establish a refundable income
16 tax credit for the purchase or modification of a vehicle for use
17 by a person with a disability.



1 SECTION 2. 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- Refundable income tax credit for the purchase or
5 modification of vehicle for use by a person with a disability.

6 (a) Each individual taxpayer, who files an individual income
7 tax return for a taxable year, and who is not claimed or is not
8 otherwise eligible to be claimed as a dependent by another
9 taxpayer for federal or Hawaii state individual income tax
10 purposes, and who purchases or modifies a personal vehicle
11 designed to allow use by a person with a disability, may claim a
12 refundable motor vehicle tax credit against the taxpayer's
13 individual income tax liability for the taxable year for which
14 the individual income tax return is being filed.

15 (b) Each individual taxpayer may claim a refundable motor
16 vehicle tax to which the taxpayer is entitled in accordance with
17 the table below; provided that a married couple filing separate
18 tax returns for a taxable year for which a joint return could
19 have been filed by them shall claim only the tax credit to which
20 they would have been entitled had a joint return been filed.



1 For the purchase or modification of
2 a vehicle with an accessibility
3 lift or ramp: \$800

4 For the purchase or modification of
5 a vehicle to be fully adaptable
6 for use by a person with a
7 disability: \$5,000

8 (c) If the tax credit claimed by the taxpayer under this
9 section exceeds the amount of the income tax payments due from
10 the taxpayer, the excess of credit over payments due shall be
11 refunded to the taxpayer; provided that the tax credit properly
12 claimed by a taxpayer who has no income tax liability shall be
13 paid to the taxpayer; provided further that no refunds or
14 payments on account of the tax credit allowed by this section
15 shall be made for amounts less than \$1.

16 (d) The director of taxation:

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

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

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



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

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

SECTION 3. New statutory material is underscored.

SECTION 4. This Act, upon its approval, shall apply to taxable years beginning after December 31, 2018.

INTRODUCED BY:

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S.B. NO. 2713

Report Title:

Disabled Persons Parking; Income Tax Credit

Description:

Provides an 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.

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