
A BILL FOR AN ACT

RELATING TO TAX CREDITS.

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

1 SECTION 1. The legislature finds that homelessness is a
2 serious problem in Hawai'i, due in part to the high cost of
3 housing in the State. Since 1977, the State has made tax
4 credits available in order to assist eligible renters. The
5 legislature finds that this tax credit is the third most
6 commonly used among Hawai'i residents. The income eligibility
7 threshold was last adjusted in 1989 and the credit amount
8 allowed was last adjusted in 1981. Since 1989, the cost of
9 housing has increased by three-hundred ninety per cent.
10 Therefore, it is time to adjust the eligibility requirements for
11 renters.

12 The purpose of this Act is to adjust the eligibility
13 requirements under the income tax credit for low-income
14 household renters by increasing the adjusted gross income
15 threshold from \$30,000 to \$50,000 per year and increasing the
16 amount used for calculating the credit from \$50 to \$200.



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1 SECTION 2. Section 235-55.7, Hawaii Revised Statutes, is
2 amended by amending subsection (c) to read as follows:

3 "(c) Each taxpayer with an adjusted gross income of less
4 than [~~\$30,000~~] \$50,000 who has paid more than \$1,000 in rent
5 during the taxable year for which the credit is claimed may
6 claim a tax credit of [~~\$50~~] \$200 multiplied by the number of
7 qualified exemptions to which the taxpayer is entitled; provided
8 each taxpayer sixty-five years of age or over may claim double
9 the tax credit; and provided that a resident individual who has
10 no income or no income taxable under this chapter may also claim
11 the tax credit as set forth in this section."

12 SECTION 3. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 4. This Act, upon its approval, shall apply to
15 taxable years beginning after December 31, 2020.
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INTRODUCED BY:

<u>Irredachizue</u>	<u>Jan [Signature]</u>
<u>Tio Windy</u>	<u>Nicole E. Lowen</u>
<u>Tom [Signature]</u>	<u>[Signature]</u>
	<u>[Signature]</u>
	<u>[Signature]</u>
	<u>[Signature]</u>

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By a. All

Amatitagan

Jakobson

and a Reuti

[Signature]

Amy Peruso

JAN 17 2020



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Report Title:

Income Tax Credit for Low-income Household Renters; Adjustments

Description:

Increases the adjusted gross income eligibility cap for the income tax credit for low-income household renters from \$30,000 to \$50,000. Increases the amount used for calculating the credit from \$50 to \$200.

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