
A BILL FOR AN ACT

RELATING TO THE LOW-INCOME HOUSEHOLD RENTERS CREDIT.

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

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

3 "§235-55.7 Income tax credit for low-income household
4 renters. (a) As used in this section:

5 [~~1~~] "Adjusted gross income" is defined by section 235-1.

6 "Consumer price index" means the urban Hawaii consumer
7 price index for all urban consumers published by the United
8 States Department of Labor or a successor index.

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

16 [~~3~~] "Rent" means the amount paid in cash in any taxable
17 year for the occupancy of a dwelling place [~~which~~] that is used



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

11 (b) Each resident taxpayer who occupies and pays rent for
12 real property within the State as the resident taxpayer's
13 residence or the residence of the resident taxpayer's immediate
14 family [~~which~~] that is not partially or wholly exempted from
15 real property tax, who is not eligible to be claimed as a
16 dependent for federal or state income taxes by another, and who
17 files an individual net income tax return for a taxable year,
18 may claim a tax credit under this section against the resident
19 taxpayer's Hawaii state individual net income tax.

20 (c) Each taxpayer [~~with an adjusted gross income of less~~
21 ~~than \$30,000~~] who has paid more than \$1,000 in rent during the



1 taxable year for which the credit is claimed may claim a tax
 2 credit [~~of \$50~~] multiplied by the number of qualified exemptions
 3 to which the taxpayer is entitled[+] in accordance with the
 4 table below; provided that each taxpayer sixty-five years of age
 5 or [~~over~~] older may claim double the tax credit; [~~and~~] provided
 6 further that a resident individual who has no income or no
 7 income taxable under this chapter may also claim the tax credit
 8 as set forth in this section.

9	<u>Adjusted gross income</u>	<u>Credit per exemption</u>
10	<u>for taxpayers filing</u>	
11	<u>a single return or married</u>	
12	<u>individuals filing</u>	
13	<u>separate returns</u>	
14	<u>Under \$20,000</u>	<u>\$150</u>
15	<u>\$20,000 under \$30,000</u>	<u>\$100</u>
16	<u>\$30,000 under \$40,000</u>	<u>\$ 50</u>
17	<u>\$40,000 and over</u>	<u>\$ 0</u>
18	<u>Adjusted gross income</u>	<u>Credit per exemption</u>
19	<u>heads of household</u>	
20	<u>Under \$30,000</u>	<u>\$150</u>
21	<u>\$30,000 under \$45,000</u>	<u>\$100</u>



1	<u>\$45,000 under \$60,000</u>	<u>\$ 50</u>
2	<u>\$60,000 and over</u>	<u>\$ 0</u>
3	<u>Adjusted gross income</u>	<u>Credit per exemption</u>
4	<u>for taxpayers filing</u>	
5	<u>a joint return under</u>	
6	<u>section 235-93 or a</u>	
7	<u>surviving spouse</u>	
8	<u>Under \$40,000</u>	<u>\$150</u>
9	<u>\$40,000 under \$60,000</u>	<u>\$100</u>
10	<u>\$60,000 under \$80,000</u>	<u>\$ 50</u>
11	<u>\$80,000 and over</u>	<u>\$ 0</u>

12 (d) For each taxable year beginning after December 31,
13 2022, each dollar amount contained in the table in subsection
14 (c) shall be increased by an amount equal to that dollar amount,
15 multiplied by the percentage, if any, by which the consumer
16 price index for June of the preceding calendar year exceeds the
17 consumer price index for June 2021, rounded to the nearest whole
18 dollar amount.

19 ~~(d)~~ (e) If a rental unit is occupied by two or more
20 individuals, and more than one individual is able to qualify as



1 a claimant, the claim for credit shall be based upon a pro rata
2 share of the rent paid.

3 ~~[(e)]~~ (f) The tax credits shall be deductible from the
4 taxpayer's individual net income tax for the tax year in which
5 the credits are properly claimed; provided that a husband and
6 wife filing separate returns for a taxable year for which a
7 joint return could have been made by them shall claim only the
8 tax credits to which they would have been entitled had a joint
9 return been filed. ~~[In the event]~~ If the allowed tax credits
10 exceed the amount of the income tax payments due from the
11 taxpayer, the excess of credits over payments due shall be
12 refunded to the taxpayer; provided that allowed tax credits
13 properly claimed by an individual who has no income tax
14 liability shall be paid to the individual; ~~[and]~~ provided
15 further that no refunds or payments on account of the tax
16 credits allowed by this section shall be made for amounts less
17 than \$1.

18 ~~[(f)]~~ (g) The director of taxation shall prepare and
19 prescribe the appropriate form or forms to be used herein, may
20 require proof of the claim for tax credits, and may adopt rules
21 pursuant to chapter 91.



1 ~~(g)~~ (h) All of the provisions relating to assessments
2 and refunds under this chapter and under section 231-23(c)(1)
3 shall apply to the tax credits hereunder.

4 ~~(h)~~ (i) Claims for tax credits under this section,
5 including any amended claims thereof, shall be filed on or
6 before the end of the twelfth month following the taxable year
7 for which the credit may be claimed."

8 SECTION 2. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 3. This Act, upon its approval, shall apply to
11 taxable years beginning after December 31, 2021.



S.B. NO. 868 S.D. 1

Report Title:

Tax; Income Tax Credit; Low-income; Renters

Description:

Creates income brackets for the low-income renter tax credit. Provides for adjustment of the tax credit amount based on the consumer price index for taxable years beginning after December 31, 2021, and beyond. (SD1)

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