

JAN 26 2022

A BILL FOR AN ACT

RELATING TO EARNED INCOME TAX CREDIT.

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

1 SECTION 1. Section 235-55.75, Hawaii Revised Statutes, is
2 amended by amending subsection (g) to read as follows:

3 "(g) This section shall apply to taxable years beginning
4 after December 31, 2017, but shall not apply to taxable years
5 beginning after December 31, [~~2022.~~] 2028."

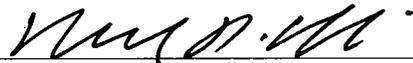
6 SECTION 2. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: _____



BY REQUEST

S .B. NO. 3099

Report Title:

Earned Income Tax Credit

Description:

Extends the availability of the state earned income tax credit until tax year 2028.

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

JUSTIFICATION SHEET

SB. NO. 3099

DEPARTMENT: OFFICE OF THE GOVERNOR

TITLE: A BILL FOR AN ACT RELATING TO EARNED INCOME TAX CREDIT.

PURPOSE: To extend the availability of the state earned income tax credit until tax year 2028.

MEANS: Amend section 235-55.75(g), Hawaii Revised Statutes.

JUSTIFICATION: This bill will extend the state earned income tax credit (set to expire in 2022) through tax year 2028. This bill provides incentives for taxpayers to work while also reducing the tax burden for low-moderate income families.

Impact on the public: Eligible taxpayers will be able to claim the state earned income tax credit through tax year 2028.

Impact on the department and other agencies: The Department of Taxation will maintain its forms and systems to allow for the claiming of the earned income tax credit through tax year 2028.

GENERAL FUND: Revenue loss of \$11.8 million in FY 2023-2024, \$14.1 million in FY 2024-2025, \$17.3 million in FY 2025-2026, and \$20.3 million in FY 2026-2027.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: None.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: Upon approval.