
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; medical care; travel
5 expenses. (a) Each resident taxpayer who is not eligible to be
6 claimed by another as a dependent for federal or state income
7 taxes; who paid for certain travel expenses, not covered or
8 compensated by insurance or otherwise, for the purpose of
9 obtaining medical care for the resident taxpayer's own person,
10 or for obtaining medical care for a dependent of the resident
11 taxpayer; and who files an individual net income tax return for
12 a taxable year, may claim a tax credit under this section
13 against the resident taxpayer's Hawaii state individual net
14 income tax, subject to the requirements of this section.
15 (b) Each resident taxpayer having an adjusted gross income
16 of less than \$ who paid for travel expenses, not
17 covered or compensated by insurance or otherwise, for the



1 purpose of obtaining medical care for the resident taxpayer's
2 own person, or for obtaining medical care for a dependent of the
3 resident taxpayer, during the taxable year for which the credit
4 is claimed, may claim a tax credit in an amount equal to per
5 cent of the travel expenses paid that were primarily for, and
6 essential to, medical care.

7 (c) The tax credits shall be deductible from the resident
8 taxpayer's individual net income tax for the tax year in which
9 the credits are properly claimed; provided that spouses filing
10 separate returns for a taxable year for which a joint return
11 could have been made by the spouses shall claim only the tax
12 credits to which they would have been entitled had a joint
13 return been filed. If the allowed tax credits exceed the amount
14 of the income tax payments due from the taxpayer, the excess of
15 credits over payments due shall be refunded to the resident
16 taxpayer; provided that no refunds or payments on account of the
17 tax credits allowed by this section shall be made for amounts
18 less than \$1.

19 (d) All the provisions relating to assessments and refunds
20 under this chapter and section 231-23(c)(1) shall apply to the
21 tax credits hereunder.



1 (e) Claims for tax credits under this section, including
2 any amended claims, shall be filed on or before the end of the
3 twelfth month following the close of the taxable year for which
4 the credit may be claimed. Failure to comply with the foregoing
5 provision shall constitute a waiver of the right to claim the
6 credit.

7 (f) No other tax credit or deduction shall be claimed
8 under this chapter for travel expenses incurred for medical care
9 for the taxable year.

10 (g) The director of taxation shall prepare any forms that
11 may be necessary to claim a credit under this section, require a
12 resident taxpayer to provide proof of a claim for the tax
13 credit, and adopt rules pursuant to chapter 91 necessary for the
14 purposes of this section.

15 (h) For the purposes of this section:

16 "Dependent" has the same meaning as in section 152 of the
17 Internal Revenue Code, determined without regard to subsections
18 (b) (1), (b) (2), and (d) (1) (B) thereof.

19 "Medical care" has the same meaning as in sections
20 213(d) (1) (A) and 213(d) (9) of the Internal Revenue Code."

21 SECTION 2. New statutory material is underscored.



1 SECTION 3. This Act shall take effect on December 31,
2 2050, and shall apply to taxable years beginning after
3 December 31, 2023.



S.B. NO. 2959
S.D. 1
H.D. 1

Report Title:

Income Tax Credit; Medical Care; Travel Expenses; Refundable Tax Credit

Description:

Establishes a refundable income tax credit for medically-related travel expenses not covered or compensated by insurance or otherwise. Effective 12/31/2050. (HD1)

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

