
A BILL FOR AN ACT

RELATING TO TAX CREDITS.

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

1 SECTION 1. Section 235-55.85, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§235-55.85 [~~Refundable food/excise~~] Food/excise tax
4 credit. (a) [~~Each~~] There shall be allowed to each individual
5 taxpayer, who files an individual income tax return for a
6 taxable year, and who is not claimed or is not otherwise
7 eligible to be claimed as a dependent by another taxpayer for
8 federal or Hawaii state individual income tax purposes, [~~may~~
9 ~~claim~~] a [~~refundable~~] food/excise tax credit [~~against the~~
10 ~~taxpayer's individual income tax liability for the taxable year~~
11 ~~for which the individual income tax return is being filed~~];
12 provided that an individual who has no income or no income
13 taxable under this chapter and who is not claimed or is not
14 otherwise eligible to be claimed as a dependent by a taxpayer
15 for federal or Hawaii state individual income tax purposes [~~may~~
16 ~~claim~~] shall be eligible for this credit. The tax credit



1 provided under this section shall not be used to offset any tax
 2 liability under title 14 of the taxpayer.

3 (b) [~~Each individual taxpayer may claim a refundable~~] The
 4 amount of the food/excise tax credit shall be equal to
 5 [~~multiplied by~~] the number of qualified exemptions to which the
 6 taxpayer is entitled multiplied by the credit amount allowed per
 7 exemption, in accordance with the table below; provided that a
 8 husband and wife filing separate tax returns for a taxable year
 9 for which a joint return could have been filed by them shall
 10 claim only the tax credit to which they would have been entitled
 11 had a joint return been filed.

12

13	Adjusted gross income	Credit per exemption
14	for taxpayers filing	
15	a single return	
16	Under \$5,000	\$110
17	\$5,000 under \$10,000	\$100
18	\$10,000 under \$15,000	\$ 85
19	\$15,000 under \$20,000	\$ 70
20	\$20,000 under \$30,000	\$ 55
21	\$30,000 and over	\$ 0.



	Adjusted gross income	Credit per exemption
1	Adjusted gross income	Credit per exemption
2	for heads of household,	
3	married individuals filing	
4	separate returns, and	
5	married couples filing	
6	joint returns	
7	Under \$5,000	\$110
8	\$5,000 under \$10,000	\$100
9	\$10,000 under \$15,000	\$ 85
10	\$15,000 under \$20,000	\$ 70
11	\$20,000 under \$30,000	\$ 55
12	\$30,000 under \$40,000	\$ 45
13	\$40,000 under \$50,000	\$ 35
14	\$50,000 and over	\$ 0.

15

16 (c) For the purposes of this section, a qualified
 17 exemption is defined to include those exemptions permitted under
 18 this chapter; provided that no additional exemption may be
 19 claimed by a taxpayer who is sixty-five years of age or older;
 20 provided that a person for whom exemption is claimed has been
 21 physically present in the State for more than nine months during



1 the taxable year; and provided further that multiple exemptions
2 shall not be granted because of deficiencies in vision or
3 hearing, or other disability. For purposes of [~~claiming~~]
4 determining eligibility for and the amount of this credit only,
5 a minor child receiving support from the department of human
6 services of the State, social security survivor's benefits, and
7 the like, may be considered a dependent and a qualified
8 exemption of the parent or guardian.

9 (d) The tax credit under this section shall not be
10 available to:

11 (1) Any person who has been convicted of a felony and who
12 has been committed to prison and has been physically
13 confined for the full taxable year;

14 (2) Any person who would otherwise be eligible to be
15 claimed as a dependent but who has been committed to a
16 youth correctional facility and has resided at the
17 facility for the full taxable year; or

18 (3) Any misdemeanor who has been committed to jail and
19 has been physically confined for the full taxable
20 year.



1 (e) ~~[The tax credits claimed by a taxpayer pursuant to~~
2 ~~this section shall be deductible from the taxpayer's individual~~
3 ~~income tax liability, if any, for the tax year in which they are~~
4 ~~properly claimed. If the tax credits claimed by a taxpayer~~
5 ~~exceed the amount of income tax payment due from the taxpayer,~~
6 ~~the excess of credits over payments due shall be refunded to the~~
7 ~~taxpayer; provided that tax credits properly claimed by [an]~~
8 ~~individual who has no income tax liability shall be paid to the~~
9 ~~individual; and provided further that no refunds or payment on~~
10 ~~account of the tax credits allowed by this section shall be made~~
11 ~~for amounts less than \$1.~~

12 ~~(f) All claims for tax credits under this section,~~
13 ~~including any amended claims, shall be filed on or before the~~
14 ~~end of the twelfth month following the close of the taxable year~~
15 ~~for which the credits may be claimed.] The tax credit shall only~~
16 ~~be allowed for an individual taxpayer who files a state income~~
17 ~~tax return for the taxable year. Failure to comply with [the~~
18 ~~foregoing provision] this filing requirement shall constitute a~~
19 ~~waiver of the right to claim the credit.~~



H.B. NO. 1364

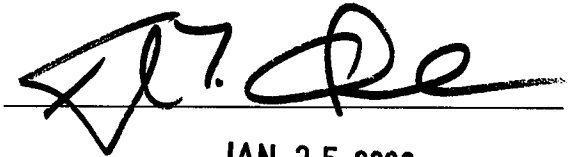
1 [~~(g)~~] (f) For the purposes of this section, "adjusted
2 gross income" means adjusted gross income as defined by the
3 Internal Revenue Code."

4 SECTION 2. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 3. This Act shall take effect on January 1, 2024,
7 and shall apply to taxable years beginning after December 31,
8 2023.

9

INTRODUCED BY:



JAN 25 2023



H.B. NO. 1364

Report Title:

DOTAX; Food/Excise Tax Credit

Description:

Renames the refundable food/excise tax credit and makes the credit nonrefundable. Authorizes the Department of Taxation to issue the tax credit to taxpayers annually rather than requiring taxpayers to file for the credit. Applies to taxable years beginning after 12/31/2023.

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