
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The legislature finds that family caregivers
2 play a vital and often unrecognized role in supporting the
3 health, safety, and independence of elderly individuals and
4 persons with disabilities in the State of Hawaii. Thousands of
5 residents provide uncompensated care to family members, allowing
6 care recipients to remain in their homes and communities rather
7 than entering costly institutional settings.

8 The legislature further finds that the provisions of family
9 caregiving frequently requires caregivers to incur substantial
10 out-of-pocket expenses, including costs for home modifications,
11 medical equipment, transportation, respite care, and other
12 supports that are essential to maintaining the well-being of
13 care recipients. These financial burdens are borne
14 disproportionately by low- and moderate-income households and
15 can place significant strain on caregivers' economic stability.

16 The legislature recognizes that family caregivers provide
17 substantial savings to the State by reducing reliance on



1 publicly funded long-term care services and delaying or
2 preventing institutionalization. Supporting family caregivers
3 is therefore both a compassionate public policy and a fiscally
4 responsible investment that promotes aging in place, community
5 integration, and improved quality of life.

6 The legislature further finds that targeted tax relief can
7 help offset the uncompensated expenses incurred by family
8 caregivers, encouraging continued caregiving, and acknowledge
9 the economic value of unpaid care work. Providing such relief
10 in a manner that is income-limited, accountable, and subject to
11 oversight ensures that assistance is directed to those most in
12 need while maintaining fiscal responsibility.

13 Accordingly, the purpose of this Act is to establish a
14 family caregiver tax credit to provide meaningful financial
15 support to eligible family caregivers.

16 SECTION 2. Chapter 235, Hawaii Revised Statutes, is amended
17 by adding a new section to be appropriately designated and to
18 read as follows:

19 "**S235- Family caregiver tax credit.** (a) Each eligible
20 taxpayer subject to the tax imposed by this chapter may claim a
21 family caregiver tax credit against the taxpayer's individual



1 net income tax liability, if any, imposed by this chapter for
2 the taxable year in which the credit is properly claimed.

3 (b) The family caregiver tax credit shall be equal to the
4 qualified expenses of the eligible taxpayer, up to a maximum of
5 \$5,000 in any taxable year; provided that married individuals
6 who do not file a joint tax return shall only be entitled to
7 claim the tax credit to the extent that they would have been
8 entitled to claim the tax credit had they filed a joint return.

9 The maximum credit amount under this section shall apply per
10 eligible taxpayer per taxable year, regardless of the number of
11 care recipients receiving care.

12 (c) An eligible taxpayer may claim the tax credit for
13 every taxable year or part thereof that the eligible taxpayer:

14 (1) Provides care to a care recipient during the taxable
15 year;
16 (2) Has personally incurred uncompensated expenses
17 directly related to the care of a care recipient; and
18 (3) Has not claimed the care recipient as a dependent for
19 the purpose of a tax deduction in the same taxable
20 year.



1 (d) An eligible taxpayer may claim the family caregiver
2 tax credit for qualified expenses incurred in providing care to
3 one or more care recipients during a taxable year; provide that:
4 (1) The total amount of the family caregiver tax credit
5 claimed by an eligible taxpayer in any taxable year
6 shall not exceed \$5,000;
7 (2) Only one eligible taxpayer per household may claim the
8 family caregiver tax credit in any taxable year; and
9 (3) Qualified expenses shall not be claimed by more than
10 one eligible taxpayer for the same care recipient in
11 the same taxable year.
12 (e) The director of taxation:
13 (1) Shall prepare any forms that may be necessary to claim
14 a tax credit under this section;
15 (2) May require the taxpayer to furnish reasonable
16 information to ascertain the validity of the claim for
17 the tax credit made under this section; and
18 (3) May adopt rules pursuant to chapter 91 necessary to
19 carry out this section.
20 (f) Qualified expenses shall be certified according to the
21 following:



- 1 (1) An eligible taxpayer claiming the family caregiver tax
2 credit shall certify, under penalty of perjury, that
3 (A) The taxpayer meets the eligibility requirements
4 of this section;
5 (B) The care recipient meets the definition of a care
6 recipient under this section; and
7 (C) The qualified expenses claimed were actually
8 incurred by the taxpayer and were not reimbursed
9 or otherwise compensated.
10 (2) The director of taxation may require an eligible
11 taxpayer to submit documentation reasonably necessary
12 to substantiate the claim, including receipts,
13 invoices, or other records, upon audit or review;
14 (3) Certification by the executive office on aging shall
15 be required only for claims in which the total
16 qualified expenses claimed exceed \$3,000 in a taxable
17 year, or as otherwise determined by rule; and
18 (4) For claims requiring certification under paragraph
19 (3), the executive office on aging shall:
20 (A) Verify the amount of qualified expenses claimed;
21 and



1 (B) Issue a certification to the taxpayer verifying
2 the amount of qualified expenses eligible for the
3 credit.

4 Upon each determination, the executive office on aging
5 shall issue a certificate to the taxpayer verifying the
6 qualified expenses and the credit amount certified for each
7 taxable year. The taxpayer shall file the certificate with the
8 taxpayer's tax return with the department of taxation.

9 Notwithstanding the executive office on aging's certification
10 authority under this section, the director of taxation may audit
11 and adjust certification to conform to the facts.

12 (g) If the tax credit allowed under this section exceeds
13 the taxpayer's net income tax liability for the taxable year, up
14 to \$1,000 of the excess credit shall be refundable and paid to
15 the taxpayer as an overpayment of tax. Any remaining excess
16 credit not refunded under this subsection may be carried forward
17 and used as a credit against the taxpayer's income tax liability
18 in subsequent taxable years until exhausted; provided that no
19 credit carried forward under this subsection shall be used as a
20 credit more than five years after the taxable year in which the
21 qualified expenses are incurred. All claims for the tax credit



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

6 (h) The department of taxation shall submit a report to
7 the legislature no later than twenty days prior to the convening
8 of each regular session on the number of eligible taxpayers
9 claiming the tax credit and the total cost of the tax credit
10 under this section to the State during the past year.

11 (i) The refundable portion of the family caregiver tax
12 credit authorized under subsection (g) shall not exceed \$1,000
13 per eligible taxpayer per taxpayer year, regardless of the total
14 amount of qualified expenses incurred or the number of care
15 recipients.

16 For the purposes of this section:

17 "Activity of daily living" has the same meaning as defined
18 in section 349-16.

19 "Care recipient" means an individual who:

20 (1) Is a citizen of the United States or a qualified
21 alien; provided that for the purposes of this



1 paragraph, "qualified alien" means a lawfully admitted
2 permanent resident under the Immigration and
3 Nationality Act;

4 (2) Does not reside in a long-term care facility, such as
5 an intermediate care facility, assisted living
6 facility, skilled nursing facility, hospital, adult
7 foster home, community care foster family home, adult
8 residential care home, expanded adult residential care
9 home, or developmental disabilities domiciliary home;
10 and

11 (3) Has impairments of at least:

12 (A) Two activities of daily living;
13 (B) Two instrumental activities of daily living;
14 (C) One activity of daily living and one instrumental
15 activity of daily living; or
16 (D) Substantive cognitive impairment requiring
17 substantial supervision because the individual
18 behaves in a manner that poses a serious health
19 or safety hazard to the individual or another
20 person.



1 "Care recipient" includes a person with a disability as
2 defined under section 515-2.

3 "Eligible taxpayer" means any relative of a care recipient
4 who:

5 (1) Has a federal adjusted gross income of \$75,000 or
6 less, or \$125,000 if filing a joint tax return; and
7 (2) Has undertaken the care, custody, or physical
8 assistance of the care recipient.

9 "Instrumental activity of daily living" has the same
10 meaning as defined in section 349-16.

11 "Qualified expenses" means out-of-pocket expenses directly
12 incurred by the eligible taxpayer in providing care to a care
13 recipient that have not been reimbursed, credited, paid, or
14 otherwise covered by another individual, organization, provider,
15 or government entity. "Qualified expenses" include but are not
16 limited to:

17 (1) The improvement of or alteration to the eligible
18 taxpayer's primary residence in order to permit the
19 care recipient to live in the residence and remain
20 mobile, safe, and independent, including entrance



1 ramps, safety grab bars by toilets, and the conversion
2 of tubs to accessible showers;

3 (2) The purchase or lease of equipment and supplies,
4 including but not limited to durable medical
5 equipment, incontinent undergarments, and portable
6 commodes, necessary to assist a care recipient in
7 carrying out one or more activities of daily living;
8 and

9 (3) Other expenses paid or incurred by the eligible
10 taxpayer that assist the eligible taxpayer in
11 providing care to a care recipient, such as
12 expenditures related to:

13 (A) Home care aides or chore workers;
14 (B) Respite care;
15 (C) Adult day care or adult day health center
16 services;
17 (D) Personal care attendants;
18 (E) Transportation, including but not limited to
19 paratransit service for non-emergency medical
20 transport;
21 (F) Health care equipment; and



1 (G) Assistive technology, including emergency alert
2 systems and voice activated medication dispensers
3 or reminders.

4 "Relative" means a spouse, child, parent, sibling, legal
5 guardian, reciprocal beneficiary as defined in section 572C-3,
6 partner as defined in section 572B-1, or any other person who is
7 related to a care recipient by blood, marriage, or adoption,
8 including a person who has a hanai or substantial familial
9 relationship to the care recipient."

10 SECTION 3. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$ or so much
12 thereof as may be necessary for fiscal year 2026-2027 to be
13 allocated as follows:

14 (1) \$100,000 for infrastructure development and
15 implementation of the family caregiver tax credit; and
16 (2) \$ for the certification of claims for tax
17 credits under the family caregiver tax credit.

18 The sum appropriated shall be expended by the executive
19 office on aging for the purposes of this Act.

20 SECTION 4. New statutory material is underscored.



1 SECTION 5. This Act shall take effect on December 31,
2 2026; provided that section 2 shall apply to taxable years
3 beginning after December 31, 2027.

4

INTRODUCED BY:


JAN 27 2026



H.B. NO. 2464

Report Title:

DOTAX; Family Caregiver Tax Credit; Report; Appropriation

Description:

Establishes a family caregiver tax credit for nonpaid family caregivers. Requires the Department of Taxation to submit annual reports to the legislature. Appropriates moneys to the Executive Office on Aging. The tax credit applies to taxable years beginning after 12/31/2027. Effective 12/31/2026.

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

