

ACT 116

H.B. NO. 2495-86

A Bill for an Act Relating to Lifeline Telephone Service.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to specifically authorize the public utilities commission to allow telephone public utilities to offer lifeline telephone service rates to eligible residential customers. Further, this Act prescribes criteria for eligibility for lifeline telephone service and provides a means for funding lifeline telephone service by allowing telephone public utilities a tax credit, equal to their respective lifeline service rate subsidy, to be applied against the company's public service company tax liability.

SECTION 2. Chapter 239, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§239- Tax credit for lifeline telephone service subsidy. A telephone public utility subject to this chapter that has been authorized to establish lifeline

telephone service rates by the public utilities commission shall be allowed a tax credit, equal to the lifeline telephone service costs incurred by the utility, to be applied against the utility's tax imposed by this chapter. The amount of this credit shall be determined and certified annually by the public utilities commission. The tax liability for a telephone public utility claiming the credit shall be calculated in the manner prescribed in section 239-5; provided that the amount of tax due from the utility shall be net of the lifeline service credit."

SECTION 3. Chapter 269, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§269- Lifeline telephone rates. (a) The public utilities commission shall implement a program to achieve lifeline telephone rates for residential telephone users.

(b) "Lifeline telephone rate" means a discounted rate for residential telephone users identified as the elderly with limited income and the handicapped with limited income as designated by the commission.

(c) The commission shall require every telephone public utility providing local telephone service to file a schedule of rates and charges providing a rate for lifeline telephone subscribers.

(d) Nothing in this section shall preclude the commission from changing any rate established pursuant to subsection (a) either specifically or pursuant to any general restructuring of all telephone rates, charges, and classifications."

SECTION 4. New statutory material is underscored.¹

SECTION 5. This Act shall take effect upon its approval.

(Approved April 30, 1986.)

Note

1. Edited pursuant to HRS §23G-16.5.