

ACT 187

S.B. NO. 2597

A Bill for an Act Relating to Income Taxation.

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

SECTION 1. Section 235-55.8, Hawaii Revised Statutes, is amended to read as follows:

“§235-55.8 [Food] Food/excise tax credit. (a) Each resident individual taxpayer, who files an individual income tax return for a taxable year, and who is not claimed or is not otherwise eligible to be claimed as a dependent by another taxpayer for federal or Hawaii state individual income tax purposes, may claim a [food] food/excise tax credit [of \$45] against the resident taxpayer’s individual income tax liability for the taxable year for which the individual income tax return is being filed; provided that a resident individual who has no income or no income taxable under this chapter and who is not claimed or is not otherwise eligible to be claimed as a dependent by a taxpayer for federal or Hawaii state individual income tax purposes may claim this credit. [The food tax credit of \$45 shall be multiplied by the number of qualified exemptions to which the taxpayer is entitled.]

(b) Each resident individual taxpayer may claim tax credits in the amount indicated in this subsection:

- (1) A tax credit of \$55 multiplied by the number of qualified exemptions to which the taxpayer is entitled; provided that no additional tax credit shall be claimed because of age;

- (2) In addition to the amount of the credit allowed under paragraph (1), the taxpayer may claim an additional tax credit for each adjusted gross income bracket as shown in the schedule below multiplied by the number of qualified exemptions to which the taxpayer is entitled; provided that each taxpayer sixty-five years of age or over may claim double the tax credit:

TAX CREDIT SCHEDULE

<u>Adjusted Gross Income</u>	<u>Tax Credit</u>
<u>Under \$ 6,000</u>	<u>\$55</u>
<u>\$ 6,000 under \$ 8,000</u>	<u>45</u>
<u>8,000 under 10,000</u>	<u>35</u>
<u>10,000 under 12,000</u>	<u>25</u>
<u>12,000 under 15,000</u>	<u>20</u>
<u>15,000 under 20,000</u>	<u>15</u>
<u>20,000 under 30,000</u>	<u>10</u>
<u>Over \$30,000</u>	<u>0</u>

provided that a husband and wife filing separate tax returns for a taxable year for which a joint return could have been filed by them shall claim only the tax credit to which they would have been entitled under paragraph (2) had a joint return been filed and may each claim \$55 under paragraph (1).

[(b)] (c) For the purposes of this section, a qualified exemption is defined to include those exemptions permitted under this chapter; provided that a person for whom exemption is claimed has physically resided in the State for more than nine months during the taxable year; and provided further that multiple exemptions shall not be granted because of [age,] deficiencies in vision or hearing, or other disability. For purposes of claiming the credit only, a minor child receiving support from the department of human services of the State, social security survivor's benefits, and the like, may be considered a dependent and a qualified exemption of the parent or guardian.

[(c)] (d) The tax credit under this section shall not be available to (1) any person who has been convicted of a felony and who has been committed to prison and has been physically confined for the full taxable year; (2) any person who would otherwise be eligible to be claimed as a dependent but who has been committed to a youth correctional facility and has resided at the facility for the full taxable year; or (3) any misdemeanor who has been committed to jail and has been physically confined for the full taxable year.

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

[(e)] (f) All claims for tax credits under this section, including any amended claims, must be filed on or before the end of the twelfth month following the close of the taxable year for which the credits may be claimed. Failure to comply with the foregoing provision shall constitute a waiver of the right to claim the credit.

[(f)] This section shall not be effective after December 31, 1990.]"

SECTION 2. Section 235-55.5, Hawaii Revised Statutes, is repealed.

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.¹

SECTION 4. This Act, upon its approval, shall apply to taxable years beginning after December 31, 1989.

(Approved June 19, 1990.)

Note

1. Edited pursuant to HRS §23G-16.5.