

**ACT 184**

S.B. NO. 261

A Bill for an Act Relating to Tax Credits.

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

SECTION 1. The legislature finds that Article VII, section 6, of the Constitution of the State of Hawaii requires the legislature to provide a tax refund or tax credit when certain factors are met. The legislature finds that these factors have been met for the twelfth year in a row and that the legislature is constitutionally required to give a tax credit or refund.

The purpose of this Act is to provide for an income tax credit of \$1 to the people of the State to satisfy constitutionally mandated requirements.

SECTION 2. (a) In addition to the food/excise tax credit allowed under section 235-55.8, Hawaii Revised Statutes, and in addition to any other credit allowed under chapter 235, Hawaii Revised Statutes, there shall be allowed each resident individual taxpayer who qualifies under section 235-55.8(a), Hawaii Revised Statutes, a general income tax credit of \$1 which shall be deducted from income tax liability computed under chapter 235, Hawaii Revised Statutes. The general income tax credit of \$1 shall be multiplied by the number of qualified exemptions as defined in section 235-55.8(c), Hawaii Revised Statutes, to which the taxpayer is entitled, regardless of adjusted gross income. Section 235-55.8(c), Hawaii Revised Statutes, to the contrary notwithstanding, each person for whom the qualified exemption is claimed shall have been a resident of the State, as defined in section 235-1, Hawaii Revised Statutes, for at least nine months regardless of whether the qualified resident was physically in the State for nine months. For the purposes of this section, multiple exemptions shall not be granted for this credit because of age or deficiencies in vision, hearing, or other disability. The

general income tax credit allowed under this section shall be deducted from income tax liability for the taxable year 1993. Section 235-55.8(d), (e), and (f), Hawaii Revised Statutes, applies to this section and is incorporated herein to the extent not in conflict with this section.

(b) This section implements the provisions of Article VII, section 6, of the Constitution of the State of Hawaii, enacted by the 1978 Constitutional Convention, which reads as follows:

**“DISPOSITION OF EXCESS REVENUES**

Section 6. Whenever the state general fund balance at the close of each of two successive fiscal years exceeds five percent of general fund revenues for each of the two fiscal years, the legislature in the next regular session shall provide for a tax refund or tax credit to the taxpayers of the State, as provided by law.”

**SECTION 3.** This Act shall take effect upon its approval.

(Approved June 9, 1993.)