

ACT 53

S.B. NO. 1136

A Bill for an Act Relating to Section 235-55.91, Hawaii Revised Statutes.

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

SECTION 1. Section 235-55.91, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

“(e) The following wages paid to vocational rehabilitation referrals are ineligible to be claimed by the employer for this credit:

- (1) No wages shall be taken into account under this section with respect to a vocational rehabilitation referral who:
 - (A) Bears any of the relationships described in section [~~152(a)(1) to (8)~~] 152(d)(2)(A) to (G) of the Internal Revenue Code to the taxpayer, or, if the taxpayer is a corporation, to an individual who owns, directly or indirectly, more than fifty per cent in value of the outstanding stock of the corporation (determined with the application of section 267(c) of the Internal Revenue Code);
 - (B) If the taxpayer is an estate or trust, is a grantor, beneficiary, or fiduciary of the estate or trust, or is an individual who bears any of the relationships described in section [~~152(a)(1) to (8)~~] 152(d)(2)(A) to (G) of the Internal Revenue Code to a grantor, beneficiary, or fiduciary of the estate or trust; or
 - (C) Is a dependent (described in section [~~152(a)(9)~~] 152(d)(2)(H) of the Internal Revenue Code) of the taxpayer, or, if the taxpayer

is a corporation, of an individual described in subparagraph (A), or, if the taxpayer is an estate or trust, of a grantor, beneficiary, or fiduciary of the estate or trust.

- (2) No wages shall be taken into account under this section with respect to any vocational rehabilitation referral if, prior to the hiring date of the individual, the individual had been employed by the employer at any time during which the individual was not a vocational rehabilitation referral.
- (3) No wages shall be taken into account under this section with respect to any vocational rehabilitation referral unless such individual either:
 - (A) Is employed by the employer at least ninety days; or
 - (B) Has completed at least one hundred-twenty hours of services performed for the employer.”

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 Statutory material to be repealed is bracketed and stricken.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

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

(Approved May 20, 2015.)