LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR

KURT KAWAFUCHI
DIRECTOR OF TAXATION

SANDRA L. YAHIRO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809

PHONE NO: (808) 587-1510
FAX NO: (808) 587-1560

July 3, 2007

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2007-13

RE: Act 210, Session Laws of Hawaii 2007, Relating to Income Tax Credit.

On June 26, 2007, Governor Linda Lingle signed into law Senate Bill 148 SD 2, HD 1, CD 2, as Act 210.

Act 210 provides for a one-time constitutionally-mandated refund of excess tax revenues.

For qualified taxpayers, the credit provided by Act 210 is computed on a per-return basis. The credit amount is based on the filing status on the return and the Federal Adjusted Gross Income reported on the return. The credit provided is deductible from the taxpayer's 2007 individual income tax liability. Any excess credit after calculating the income tax owed will be refunded to the taxpayer. Moreover, if a taxpayer earns no income, the taxpayer may be paid the credit. All claims for the credit must be made within 12 months following the close of the 2007 taxable year.

The following are the credit amounts based upon the return-type filed, and based further upon the filer's Federal Adjusted Gross Income:

Those Entitled to File and Claim the Benefits of a Joint Return—

If the federal adjusted gross income is:	The credit shall be:
Under $5,000	$160
$5,000 and over but under $10,000	$150
$10,000 and over but under $15,000	$140
$15,000 and over but under $20,000	$130
$20,000 and over but under $30,000	$120
$30,000 and over but under $40,000	$110
$40,000 and over but under $50,000	$100
$50,000 and over but under $60,000	$ 90
$60,000 and over	$0

Those Entitled to File and Claim the Benefits of a Head of Household—

If the adjusted gross income is:	The credit shall be:
Under $5,000	$140
$5,000 and over but under $10,000	$130
$10,000 and over but under $15,000	$120
$15,000 and over but under $20,000	$110
$20,000 and over but under $30,000	$100
$30,000 and over but under $40,000	$90
$40,000 and over but under $50,000	$80
$50,000 and over but under $60,000	$70
$60,000 and over	$0

Those Filing as Unmarried or Married-Filing-Separately—

If the adjusted gross income is:	The credit shall be:
Under $5,000	$65
$5,000 and over but under $10,000	$55
$10,000 and over but under $15,000	$45
$15,000 and over but under $20,000	$35
$20,000 and over but under $30,000	$25
$30,000 and over	$0

Act 210 takes effect on June 26, 2007 and applies to the taxable year beginning after December 31, 2006.

For more information on Act 210, please contact the Rules Office at 808-587-1577.

KURT KAWAFUCHI
Director of Taxation