LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR

KURT KAWAFUCHI
DIRECTOR OF TAXATION

STANLEY SHIRAKI
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 31, 2009

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2009-17

RE: Act 84, Session Laws of Hawaii 2009, Relating to Income Tax Credit.

On June 2, 2009, Governor Linda Lingle signed House Bill 35, HD1, SD1, CD1 into law as Act 84.

Act 84 provides for a one-time constitutionally-mandated refund of excess tax revenues.

This general income tax credit is available to resident individual taxpayers when certain conditions are met. In general, the credit allowed will be $1 multiplied by the number of qualified exemptions to which the taxpayer is entitled (excluding any exemptions allowed because of age or deficiencies in vision, hearing, or other disability). This credit is deductible from the taxpayer's 2009 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 still be paid the credit. All claims for the credit must be made within 12 months following the close of the 2009 taxable year. Instructions for the 2009 income tax return forms will provide additional information about who may claim this credit, the amount of the credit, and the manner of making a claim.

This Act took effect upon approval.

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

KURT KAWAFUCHI
Director of Taxation