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# A BILL FOR AN ACT

RELATING TO INCOME TAX DEDUCTIONS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Chapter 235, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:  
4           "§235-       Deduction for school-related expenses paid by  
5 educator. (a) A resident taxpayer who files an individual  
6 income tax return for the taxable year and qualifies as an  
7 eligible educator shall be allowed a deduction from gross income  
8 not exceeding \$250 in the aggregate for the taxable year for  
9 qualified school-related expenditures paid during the taxable  
10 year. The deductions allowed under this section consist of  
11 expenses not in excess of \$250, paid or incurred by an eligible  
12 educator in connection with books, supplies other than  
13 nonathletic supplies for courses of instruction in health or  
14 physical education, supplemental materials, and computer  
15 equipment including related software and services used by the  
16 eligible educator in the classroom.  
17           (b) If the taxpayer is married at the close of the taxable  
18 year and both spouses claim the deductions, the deduction



1 allowed under subsection (a) shall not exceed \$400 on a joint  
2 return filed for the taxable year; provided that a husband and  
3 wife filing separate tax returns for a taxable year for which a  
4 joint return could have been filed by them shall claim only the  
5 deduction that they would have been entitled to had a joint  
6 return been filed.

7 (c) For purposes of this section, the term "eligible  
8 educator" means, with respect to any taxable year, an individual  
9 who is a school teacher, instructor, counselor, principal, or  
10 aide in a school for at least nine-hundred hours during a school  
11 year.

12 (d) For purposes of this section, the term "school" means  
13 any school which provides elementary education or secondary  
14 education in grades kindergarten through grade twelve, as  
15 determined under state law.

16 (e) The director of taxation shall prepare such forms as  
17 may be necessary to claim the deduction under this section and  
18 shall require proof of the claim for the deduction."

19 SECTION 2. New statutory material is underscored.

20 SECTION 3. This Act shall take effect upon its approval  
21 and shall apply to school-related expenses paid after  
22 December 31, 2005.

**Report Title:**

Educator Expenses; Tax Deduction

**Description:**

Allows resident individual taxpayers to claim an income tax deduction from gross income of up to \$250 per taxable year for eligible school-related expenditures paid by qualifying educators. Applies to expenses incurred after December 31, 2006. (SD1)

