

Honolulu, Hawaii

FOB 17

RE: S.B. No. 2971

S.D. 1

Honorable Robert Bunda  
President of the Senate  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Education and Military Affairs, to which was referred S.B. No. 2971 entitled:

"A BILL FOR AN ACT RELATING TO INCOME TAX DEDUCTIONS,"

begs leave to report as follows:

The purpose of this measure is to establish a tax deduction for school-related expenses paid by an eligible educator.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association. Comments on the measure were received from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that although an amendment was suggested to conform this measure to the federal Working Families Tax Relief Act (Act) in effect until the end of 2005 with respect to the "grades kindergarten to twelve" language, the Act specifies merely "elementary and secondary school" educators, which has been interpreted at the federal and state levels to encompass kindergarten through twelfth grade. The Act is set to expire at the end of 2005, which makes the tax relief provided by this measure all the more needed and timely.


Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to



this report, your Committee is in accord with the intent and purpose of S.B. No. 2971, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2971, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Education and  
Military Affairs,

  
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NORMAN SAKAMOTO, Chair



