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## A BILL FOR AN ACT

RELATING TO TAXATION.

**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-A   Credit for mentoring of students participating in  
5 science, technology, engineering, and mathematics programs. (a)

6           There shall be allowed to each corporation, including a  
7 corporation carrying on business in partnership, subject to the  
8 tax imposed by part IV of this chapter, a credit for mentoring  
9 students who participate in science, technology, engineering,  
10 and mathematics programs in public schools, including a public  
11 university, which shall be deductible from the corporation's net  
12 tax liability, if any, imposed by this chapter for the taxable  
13 year in which the credit is properly claimed.

14           (b) The amount of the credit determined under this section  
15 for the taxable year shall be equal to one hundred per cent of  
16 the qualified costs of mentoring a student who participates in  
17 science, technology, engineering, and mathematics programs in  
18 public schools, including a public university, provided that



1 mentorship of more than one student shall be allowed, however,  
2 the credit allowed for mentorship of each subsequent student  
3 shall be reduced by an additional twenty per cent, with no  
4 credit being allowed for sponsorship of a sixth student.

5 (c) For purposes of this section:

6 "Qualified costs" means any costs required for a student to  
7 participate in a science, technology, engineering, and  
8 mathematics program in a public school, including costs  
9 associated with internships and externships.

10 "Science, technology, engineering, and mathematics program"  
11 means:

12 (1) programs created by parts IV or V of Act 111,  
13 Session Laws of Hawaii 2007;

14 (2) Project EAST;

15 (3) programs created in public schools that focus on  
16 science, technology, engineering, and  
17 mathematics.

18 (d) The credit allowed under this section shall be claimed  
19 against net corporation income tax liability for the taxable  
20 year. A tax credit under this section which exceeds the  
21 corporation's income tax liability may be used as a credit



1 against the corporation's income tax liability in subsequent  
2 years until exhausted.

3 (e) All claims for credits under this section, including  
4 any amended claims, shall be filed on or before the end of the  
5 twelfth month following the close of the taxable year for which  
6 the credits may be claimed. Failure to comply with the  
7 foregoing provision shall constitute a waiver of the right to  
8 claim the credit.

9 (f) The director of taxation may adopt any rules under  
10 chapter 91 and forms necessary to carry out this section."

11 SECTION 2. New statutory material is underscored.

12 SECTION 3. This Act shall take effect on July 1, 2008.

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INTRODUCED BY:

*[Handwritten signatures: Mungin, Karl, JAA, John M. Higgins]*

*[Handwritten signatures: Gene Clark, Karl Mueck, Roy P. Hamilton, Barbara Morrison, Alice G. Kelati, Nenni D. Wood, Tom Beane, O'Connell]*

JAN 22 2008



**Report Title:**

Tax credit; science, technology, engineering, and mathematics

**Description:**

Provides a tax credit for the mentoring of students involved in science, technology, engineering, and mathematics programs in public schools.

