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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- Public school teacher income tax credit. (a)

5           For purposes of this section:

6           "Professional development and training expenses" means  
7 expenses for any course in any subject in which the eligible  
8 individual is certified to teach or becomes certified to teach  
9 within one year after completing the course.

10           "Qualifying educational institution" means any public  
11 school, as defined in section 302A-101, that provides education  
12 for students in grades kindergarten to twelve, or any part  
13 thereof.

14           "Teacher" means a taxpayer who:

15           (1) Holds a license or credential issued by the Hawaii  
16 teacher standards board under chapter 302A or by the



1 department of education under any predecessor statute;

2 or

3 (2) Meets requirements equivalent to those for a license

4 or credential;

5 and whose responsibilities involve providing not less than  
6 seventy per cent of the teacher's formal employment time in the  
7 direct classroom instruction of students at a qualifying  
8 educational institution.

9 (b) There shall be allowed to each teacher who teaches at  
10 a qualifying educational institution, and who is not claimed or  
11 is not otherwise eligible to be claimed as a dependent by  
12 another taxpayer for federal or Hawaii state individual income  
13 tax purposes, a public school teacher income tax credit for  
14 professional development and training expenses incurred during  
15 the taxable year; provided that the teacher shall not be  
16 eligible for the tax credit if the teacher has claimed the  
17 professional development and training expenses as a business  
18 expense for which an itemized deduction is allowed by this  
19 chapter for the taxable year. The tax credit shall be  
20 deductible from the taxpayer's net income tax liability imposed  
21 by this chapter for the taxable year in which the tax credit is  
22 properly claimed.



1       (c) The tax credit shall only apply to a teacher who was  
2 employed at a qualifying educational institution for the entire  
3 school year in which the tax credit is claimed. The amount of  
4 the tax credit shall be one hundred per cent of the professional  
5 development and training expenses incurred by a teacher employed  
6 at a qualifying educational institution during the taxable year;  
7 provided that this amount shall not exceed \$ \_\_\_\_\_.

8       (d) If the tax credit under this section exceeds the  
9 taxpayer's net income tax liability under this chapter, any  
10 excess of the tax credit may be used as a credit against the  
11 taxpayer's income tax liability in subsequent taxable years  
12 until exhausted.

13       (e) Every claim, including amended claims, for the tax  
14 credit under this section shall be filed on or before the end of  
15 the twelfth month following the close of the taxable year for  
16 which the tax credit may be claimed. Failure to meet the filing  
17 requirements of this subsection shall constitute a waiver of the  
18 right to claim the tax credit.

19       (f) The director of taxation shall prepare such forms as  
20 may be necessary to claim a tax credit under this section, may  
21 require proof of the claim for the tax credit, and may adopt  
22 rules pursuant to chapter 91 to effectuate the purposes of this



1 section. The department of education shall certify to the  
2 department of taxation as to which teachers qualify for the tax  
3 credit allowed under this section.

4 (g) The department of taxation shall report to the  
5 legislature annually, no later than twenty days prior to the  
6 convening of each regular session, on the number of taxpayers  
7 claiming the tax credit and the total cost of the tax credit to  
8 the State during the past year."

9 SECTION 2. New statutory material is underscored.

10 SECTION 3. This Act, upon its approval, shall apply to  
11 taxable years beginning after December 31, 2007.



**Report Title:**

Teachers; Professional Development; Tax Credit

**Description:**

Provides a tax credit to teachers for professional development and training expenses. (SD1)

