

STAND. COM. REP. NO.

2017

Honolulu, Hawaii

FEB 01 2008

RE: S.B. No. 2300  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Madam:

Your Committee on Education, to which was referred S.B. No. 2300 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to establish a tax credit for teachers for professional development and training expenses.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Teachers Association. Testimony in opposition of this measure was submitted by one individual. Comments on the measure were also submitted by the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that Hawaii is experiencing a drastic teacher shortage, wherein the recruitment and retention of qualified teachers is of the utmost importance to the future of our education and our State. Your Committee further finds that the provision of incentives in varying manners will help in the battle to keep and attract qualified educators in the State. This measure provides a tax credit to public school teachers for their professional development and training expenses.

Upon further review of the testimony and information provided, your Committee understands that such professional development and training expenses may currently be deductible as business expenses for a teacher-taxpayer. The receipt of a deduction and a tax credit may be excessive; however, your

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Committee believes that the tax credit can still assist those teachers who do not itemize their deductions.

Accordingly, your Committee has amended this measure by:

- (1) Prohibiting an individual from claiming the professional development and training expenses as both an itemized tax deduction and a tax credit in any taxable year; and
- (2) Making a technical, nonsubstantive amendment for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2300, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2300, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Respectfully submitted on  
behalf of the members of the  
Committee on Education,

  
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NORMAN SAKAMOTO, Chair



