
A BILL FOR AN ACT

RELATING TO THE SCIENCE, TECHNOLOGY, ENGINEERING, AND MATH
INCOME TAX CREDIT.

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

1 SECTION 1. Since 2007, the legislature, governor,
2 department of education, University of Hawaii community
3 colleges, department of human services, and department of
4 business, economic development, and tourism have worked
5 collaboratively to create an educational focus on science,
6 technology, engineering, and math programs in public schools.
7 These areas of education will help Hawaii's students develop
8 world-class analytical and problem-solving skills that will make
9 them employable in the future and help the State become globally
10 competitive.

11 This Act creates a tax credit that can be claimed by
12 individuals and businesses who donate money to directly support
13 a qualifying science, technology, engineering, and mathematics
14 program at a Hawaii public school, as certified by the
15 department of business, economic development, and tourism, in
16 collaboration with the department of education, career and
17 technical education program office, and University of Hawaii



1 community colleges. The creation of this new funding mechanism
2 allows the community to directly support science, technology,
3 engineering, and mathematics education, which contributes to the
4 development of an internationally competitive and thriving labor
5 force within Hawaii.

6 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
7 amended by adding a new section to be appropriately designated
8 and to read as follows:

9 "§235- Science, technology, engineering, and math
10 education tax credit. (a) There shall be allowed to each
11 taxpayer subject to the taxes imposed by this chapter, a
12 science, technology, engineering, and math education tax credit
13 that shall be deductible from the taxpayer's net income tax
14 liability, if any, imposed by this chapter for the taxable year
15 in which the credit is properly claimed.

16 (b) The amount of the tax credit shall be fifty per cent
17 of the amount donated to a qualifying science, technology,
18 engineering, and math program, subject to the limitations
19 provided in this section.

20 (c) The amount of credit allowable shall be subject to the
21 following limitations per taxable year:



1 (1) For individuals other than persons filing a joint
2 return, the amount of the tax credit shall not exceed
3 \$ _____ ;

4 (2) For persons filing a joint return, the amount of the
5 tax credit shall not exceed \$ _____ ;

6 (3) In the case of a corporation, the amount of the tax
7 credit shall not exceed \$ _____ ;

8 (4) In the case of a partnership, S corporation, or estate
9 or trust, the tax credit is allowable for cash donated
10 by the entity and shall not exceed \$ _____ per return
11 of the partnership, S corporation, or estate or trust,
12 filed in any taxable year. Allocations of the tax
13 credit shall be determined under the income tax rules
14 governing allocations of credits; and

15 (5) An allocation of the tax credit under this subsection
16 is subject to the limitations in paragraphs (1), (2),
17 (3), and (4).

18 (d) The department of business, economic development, and
19 tourism shall maintain records of and certify the total amount
20 of the donations eligible for the credit made during the taxable
21 year, including donations made to a qualifying science,
22 technology, engineering, and math program. All donations



1 eligible for the credit shall be verified by the department of
2 business, economic development, and tourism, in consultation
3 with the department of education, career and technical education
4 program office, and University of Hawaii community colleges.
5 The department of business, economic development, and tourism
6 shall total and record all of the certified donations. Upon
7 each determination, the department of business, economic
8 development, and tourism shall issue a certificate to the
9 taxpayer certifying the amount of the donations eligible to be
10 claimed as a credit. To claim the credit, the taxpayer shall
11 file the certificate from the department of business, economic
12 development, and tourism with the taxpayer's tax return, subject
13 to the limitations in subsection (c), with the department of
14 taxation. The department of business, economic development, and
15 tourism shall certify no more than \$1,000,000 in donations in
16 the aggregate for all taxpayers for each taxable year. When the
17 total amount of certified donations reaches \$1,000,000, the
18 department of business, economic development, and tourism shall
19 immediately discontinue certifying donations and notify the
20 department of taxation.

21 (e) If the tax credit claimed by a taxpayer exceeds the
22 taxpayer's income tax liability, the excess of the tax credit



1 over liability may be used as a credit against the taxpayer's
2 income liability for up to five consecutive taxable years
3 following the year of the donation until exhausted, subject to
4 the limitations in subsection (c). If the credit is not
5 exhausted within the five consecutive taxable years following
6 the year of the donation, the credit shall expire.

7 (f) If a deduction is taken under Section 170 (with
8 respect to charitable contributions and gifts) of the Internal
9 Revenue Code on the taxpayer's federal or state income tax
10 return for the amount donated to a qualifying science,
11 technology, engineering, and math program, no tax credit shall
12 be allowed for that portion of the donation for which the
13 deduction was taken.

14 (g) The director of taxation shall prepare forms as may be
15 necessary to claim a credit under this section. The director
16 may also require the taxpayer to furnish reasonable information
17 to allow the director to ascertain the validity of the claim for
18 credit made under this section. The director may adopt rules
19 necessary to effectuate the purposes of this section pursuant to
20 chapter 91.

21 (h) All claims for the tax credit under this section,
22 including any amended claims, shall be filed on or before the



1 end of the twelfth month following the close of the taxable year
2 for which the credit may be claimed. Failure to comply with the
3 foregoing provision shall constitute a waiver of the right to
4 claim the credit.

5 (i) As used in this section the term "qualifying science,
6 technology, engineering, and math program" means a program at a
7 primary, middle, or high school operated by the department of
8 education that has been approved by the department of business,
9 economic development, and tourism in collaboration with the
10 department of education, career and technical education program
11 office, and the University of Hawaii community colleges to
12 participate in its science, technology, engineering, and math
13 educational programs."

14 SECTION 3. New statutory material is underscored.

15 SECTION 4. This Act, upon its approval, shall apply to
16 taxable years beginning after December 31, 2008.



Report Title:

Donations to STEM Programs; Income Tax Credit

Description:

Provides an income tax credit for donations made to qualifying science, technology, engineering, and math programs at Hawaii public schools. (HB1082 HD1)

