
A BILL FOR AN ACT

RELATING TO TAX CREDIT FOR AFTER-SCHOOL PROGRAMS.

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- Sponsorship of after-school program; tax credit.

5 (a) There shall be allowed to each corporation, including a
6 corporation carrying on business in partnership, subject to the
7 tax imposed by part IV of this chapter, a credit for sponsoring
8 an after-school program in conjunction with a public school in
9 the State that shall be deductible from the corporation's net
10 tax liability, if any, imposed by this chapter for the taxable
11 year in which the credit is properly claimed.

12 (b) The amount of the credit determined under this section
13 for the taxable year shall be equal to one hundred per cent of
14 the qualified costs of sponsoring an after-school program;
15 provided that the amount of the credit shall not exceed
16 per cent of the corporation's net tax liability for the taxable
17 year in which the credit is claimed.



1 (c) The credit allowed under this section shall be claimed
2 against net corporation income tax liability for the taxable
3 year. A tax credit under this section that exceeds per
4 cent of the corporation's income tax liability may be used as a
5 credit against the corporation's income tax liability in
6 subsequent years until exhausted.

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

13 (e) The director of taxation may adopt any rules under
14 chapter 91 and forms necessary to carry out this section.

15 (f) For the purposes of this section:

16 "After-school program" means a program that takes place
17 when school is not in session or outside of regular school hours
18 and is for the educational, enrichment, and recreational
19 activities of children enrolled in a public school in Hawaii.

20 "After-school program" does not include a program whose primary
21 mission is childcare.



1 "Qualified costs" means the costs of materials and labor
2 required to develop and implement an after-school program."

3 SECTION 2. New statutory material is underscored.

4 SECTION 3. This Act, upon its approval, shall apply to
5 taxable years beginning after December 31, 2010.

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INTRODUCED BY: Linda L. Chizame

JAN 26 2011



Report Title:

Taxation; Sponsorship of After-School Programs; Tax Credit

Description:

Establishes a tax credit for businesses that sponsor after-school programs.

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