

TAXBILLSERVICE

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SUBJECT: INCOME, Credit for parenting skills class

BILL NUMBER: SB 972

INTRODUCED BY: Chun Oakland

BRIEF SUMMARY: Adds a new section to HRS chapter 235 to allow a taxpayer to claim a tax credit equal to the tuition and fees to attend a parenting skills class to learn child development and learning skills. The credit shall be deductible from the taxpayer's income tax liability with any excess credit in an amount greater than \$1 refunded to the taxpayer.

Claims for the credit, including any amended claims, must be filed on or before the end of the twelfth month following the close of the taxable year. The credit shall be applied for on forms provided by the tax department.

EFFECTIVE DATE: Tax years beginning after December 31, 2010

STAFF COMMENTS: This measure proposes to fully subsidize the cost of parents attending parenting skills classes that teach child development techniques and skills. While a noble gesture, such education should not come at the expense of all other taxpayers who may not have any children or have children who are already grown, but also at the expense of those parents who cannot afford the initial payment of the tuition and fees.

It should be remembered that using the tax system to achieve social goals, as this measure proposes, is an inefficient means of accomplishing such goals. Credits are appropriate for alleviating an undue tax burden, in this case the cost of educating parents who have not had experience in raising a child. If it is the intent of the legislature to equip all parents with the skills necessary to raise a child, then the funds should be appropriated up front for programs that can be made universally available to all parents or prospective parents. Funding such programs through the back door of tax credits is less than accountable and certainly less than transparent. With state revenues in a severe deficit situation, the adoption of this measure is not affordable.

If the intent is to fully subsidize these classes, then a direct appropriation of the funds to a program to provide these classes would be more accountable. At least the importance of such classes could be measured against all other programs and services demanding funding by the state.

Digested 2/4/11