

JAN 20 2012

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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. The purpose of this Act is to authorize a state  
2 income tax credit for certain expenses paid or incurred by  
3 school teachers in connection with supplementary materials used  
4 by the teacher in the classroom.

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

8           "§235-       Certain expenses of school teachers; tax credit.

9           (a) There shall be allowed to each qualified taxpayer subject  
10 to the tax imposed by this chapter a tax credit for certain  
11 expenses of school teachers which shall be deductible from the  
12 taxpayer's net income tax liability, if any, imposed by this  
13 chapter for the taxable year in which the credit is properly  
14 claimed.

15           (b) For purposes of this section:

16           "Certain expenses" means expenses paid or incurred by a  
17 qualified taxpayer that incurs expenses in connection with  
18 books, supplies (other than nonathletic supplies for courses of



1 instruction in health or physical education), computer equipment  
2 (including related software and services) and other equipment,  
3 and supplementary materials used by the qualified taxpayer in  
4 the classroom.

5 "Qualified taxpayer" means a school teacher, special  
6 education teacher, school librarian, or counselor employed by  
7 the state public education system, or by a private school in  
8 Hawaii that instructs students between kindergarten and twelfth  
9 grade.

10 (c) The amount of the tax credit shall be equal to a  
11 maximum of \$500 for certain expenses in any taxable year.

12 (d) If the tax credit under this section exceeds the  
13 taxpayer's net income tax liability, the excess of credit over  
14 liability may be used as a tax credit against the taxpayer's net  
15 income tax liability in subsequent years until exhausted. All  
16 claims for a tax credit under this section, including amended  
17 claims, shall be filed on or before the end of the twelfth month  
18 following the close of the taxable year for which the tax credit  
19 may be claimed. Failure to comply with the foregoing provision  
20 shall constitute a waiver of the right to claim the tax credit.



1 (e) No other tax credit may be claimed under this chapter  
2 for the qualified costs used to properly claim a tax credit  
3 under this section for the taxable year.

4 (f) The director of taxation shall prepare any forms that  
5 may be necessary to claim a credit under this section. The  
6 director may also require the taxpayer to furnish information to  
7 ascertain the validity of the claim for the tax credit made  
8 under this section and may adopt rules necessary to effectuate  
9 the purposes of this section pursuant to chapter 91.

10 (g) The tax credit allowable in this section shall be  
11 available for taxable years beginning after December 31, 2011."

12 SECTION 3. New statutory material is underscored.

13 SECTION 4. This Act, upon its approval, shall apply to  
14 taxable years beginning after December 31, 2011.

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S.B. NO. 2484

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# S.B. NO. 2484

**Report Title:**

Tax Credit; Certain Expenses; Teachers

**Description:**

Authorizes a state income tax credit for certain expenses paid or incurred by a school teacher during the taxable year.

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