
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 educational expenses paid or
3 incurred by school teachers, counselors, and librarians in
4 connection with supplementary materials used in the classroom or
5 library.

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- Certain educational expenses; tax credit. (a)

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

15 (b) For purposes of this section:

16 "Certain educational expenses" means expenses paid or
17 incurred by a qualified taxpayer in connection with books,
18 supplies other than athletic supplies for courses of instruction



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

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

11 (c) The amount of the tax credit under this section shall
12 be equal to a maximum of \$500 for certain educational expenses
13 in any taxable year.

14 (d) If the tax credit under this section exceeds the
15 taxpayer's net income tax liability, the excess of credit over
16 liability may be used as a tax credit against the taxpayer's net
17 income tax liability in subsequent years until exhausted. All
18 claims for a tax credit under this section, including amended
19 claims, shall be filed on or before the end of the twelfth month
20 following the close of the taxable year for which the tax credit
21 may be claimed. Failure to comply with the foregoing provision
22 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 reasonable
7 information to ascertain the validity of the claim for credit
8 made under this section and may adopt rules necessary to
9 effectuate the purposes of this section pursuant to chapter 91."

10 SECTION 3. New statutory material is underscored.

11 SECTION 4. This Act shall take effect on July 1, 2050, and
12 shall apply to taxable years beginning after December 31, 2011.



Report Title:

Tax Credit; Certain Educational Expenses

Description:

Authorizes a state income tax credit for certain educational expenses paid or incurred by teachers, counselors, and librarians. Effective July 1, 2050. (SB2484 HD1)

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