

JAN 25 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 deduction for qualified student loan interest paid on  
3 tuition expenses at the University of Hawaii system.

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

7           "§235-     Student loan interest; tax deduction. (a) There  
8 shall be allowed as a deduction from gross income for the amount  
9 of qualified student loan interest paid by individual taxpayer  
10 during the taxable year, up to a maximum of \$ \_\_\_\_\_,  
11 including both required and voluntary interest payments, on  
12 qualified education expenses.

13           (b) The director of taxation shall prepare such forms as  
14 may be necessary to claim a tax deduction under this section,  
15 may require proof of the claim for the tax deduction, and may  
16 adopt rules pursuant to chapter 91.

17           (c) For the purpose of this section:



1        "Qualified education expenses" means the tuition costs for  
 2        a student who was enrolled in the University of Hawaii system at  
 3        least half-time in a program leading to a degree, certificate,  
 4        or other recognized educational credential.

5        "Qualified student loan interest" means a loan to pay  
 6        qualified education expenses that were for the taxpayer,  
 7        taxpayer's spouse, or an individual who was the taxpayer's  
 8        dependent when the loan was initiated; provided that interest  
 9        paid by the taxpayer on loans from a related person or a  
 10       qualified employer plan is not qualified student loan interest."

11       SECTION 3. New statutory material is underscored.

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

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INTRODUCED BY: *[Signature]*

*[Handwritten signatures: Jim Amundson, Rosaly de la..., Hae Gil, Yee..., Anne..., Hilary..., Will..., Carol...]*

# S.B. NO. 2964

**Report Title:**

Tax Deduction; Student Loan Interest; Education Expenses

**Description:**

Authorizes a state income tax deduction for qualified student loan interest paid on tuition expenses at the University of Hawaii system.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

