
A BILL FOR AN ACT

RELATING TO EDUCATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. Chapter 235, Hawaii Revised Statutes, is
3 amended by adding a new section to be appropriately designated
4 and to read as follows:

5 **"§235- Credit for charter school facility development.**

6 (a) There shall be allowed to each taxpayer who is subject to
7 the tax imposed by this chapter, and does not owe the State
8 delinquent taxes, penalties, or interest, a credit for
9 contributions of money or in-kind goods and services for the
10 development of charter school facilities. The credit shall be
11 deductible from the taxpayer's net income tax liability, if any,
12 imposed by this chapter for the taxable year in which the credit
13 is properly claimed.

14 (b) The amount of the tax credit established under this
15 section shall be equal to per cent of the value of
16 contributions of in-kind goods and services and contributions of
17 money to the Hawaii charter school facility development special
18 fund for that taxable year; provided that the aggregate value of



1 the contributions of in-kind goods and services claimed by a
2 taxpayer shall not exceed \$ in a given taxable year.

3 (c) The tax credit allowed under this section shall be
4 claimed against net income tax liability for the taxable year.

5 A tax credit under this section that exceeds the taxpayer's
6 income tax liability may be used as a credit against the
7 taxpayer's income tax liability in subsequent years until
8 exhausted.

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

15 (e) No taxpayer shall receive a credit under this section
16 for the contribution of in-kind services if the taxpayer also
17 claims a separate deduction for the payment of wages for those
18 same services.

19 (f) The state public charter school commission shall
20 maintain records of the names of taxpayers eligible for the
21 credit and the total value of money and in-kind goods and
22 services contributed for the development of charter school



1 facilities for the taxable year. All contributions shall be
2 verified by the state public charter school commission. The
3 state public charter school commission shall total all
4 contributions that it certifies. Upon each determination, the
5 state public charter school commission shall issue a certificate
6 to the taxpayer certifying:

- 7 (1) The amount of the contribution; and
- 8 (2) That the taxpayer has obtained a current and valid
9 certificate signed by the director of taxation,
10 showing that the taxpayer does not owe the State any
11 delinquent taxes, penalties, or interest.

12 The taxpayer shall file the certificate from the state public
13 charter school commission with the taxpayer's tax return with
14 the department of taxation. When the total amount of certified
15 contributions reaches \$ _____, the state public charter
16 school commission shall immediately discontinue certifying
17 contributions and notify the department of taxation. In no
18 instance shall the total amount of certified contributions
19 exceed \$ _____ for each taxable year.

20 (g) The director of taxation shall prepare any forms that
21 may be necessary to claim a tax credit under this section. The
22 director may also require the taxpayer to furnish reasonable

1 information to ascertain the validity of the claim for credit
2 made under this section and may adopt rules necessary to
3 effectuate the purposes of this section pursuant to chapter 91.

4 (h) For purposes of this section:

5 "Charter schools" has the same meaning as defined in
6 section 302D-1.

7 "Net income tax liability" means income tax liability
8 reduced by all other credits allowed under this chapter.

9 "Value of contributions of in-kind goods and services"
10 means the fair market value of goods and uncompensated services
11 or labor, as determined and certified by the department of
12 accounting and general services."

13 SECTION 2. Chapter 302D, Hawaii Revised Statutes, is
14 amended by adding a new section to be appropriately designated
15 and to read as follows:

16 **§302D- Hawaii charter school facility development**
17 **special fund.** (a) There is established within the department a
18 special fund to be known as the Hawaii charter school facility
19 development special fund, which shall be administered by the
20 commission.

21 (b) Moneys in the Hawaii charter school facility
22 development special fund may be:



1 (1) Expended by the commission for the acquisition,
2 planning, design, improvement, construction,
3 equipping, furnishing, administering, operating, and
4 maintaining of charter school facilities and any other
5 purpose deemed necessary by the commission for the
6 purpose of developing charter school facilities; or

7 (2) Pledged by the commission to secure loans from private
8 lending institutions for financially sound charter
9 schools.

10 (c) The Hawaii charter school facility development special
11 fund may receive contributions, grants, endowments, gifts in
12 cash or otherwise, loans, and bond financing from all sources,
13 including corporations or other businesses, foundations,
14 government, individuals, and other interested parties. Any
15 interest accrued on moneys in the fund shall become part of the
16 fund. The legislature may appropriate moneys to the fund."

PART II

18 SECTION 3. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$ or so
20 much thereof as may be necessary for fiscal year 2014-2015 to be
21 deposited into the Hawaii charter school facility development
22 special fund.



1 SECTION 4. There is appropriated out of the Hawaii charter
2 school facility development special fund the sum of \$
3 or so much thereof as may be necessary for fiscal year 2014-2015
4 to support the development of charter school facilities.

5 The sum appropriated shall be expended by the state public
6 charter school commission for the purposes of this Act.

7 PART III

8 SECTION 5. New statutory material is underscored.

9 SECTION 6. This Act shall take effect on July 1, 2050, and
10 shall apply to taxable years beginning after December 31, 2014;
11 provided that part II of this Act shall take effect on July 1,
12 2014.



Report Title:

Hawaii Charter School Facility Development Special Fund; Tax Credit; Appropriation

Description:

Establishes a special fund for the development of charter school facilities. Establishes an income tax credit for taxpayers who make contributions to the development of charter school facilities. Appropriates funds for the Hawaii charter school facility development special fund. Effective July 1, 2050.
(SD1)

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