

STAND. COM. REP. NO.

201

Honolulu, Hawaii

FEB 12 2013

RE: S.B. No. 573

S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Education, to which was referred S.B. No. 573 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize a state income tax credit for certain expenses paid or incurred by school teachers during the taxable year.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, IMUAlliance, and one individual. Your Committee received comments on this measure from the Department of Taxation; Tax Foundation of Hawaii; and Hawaii Government Employees Association AFSCME Local 152, AFL-CIO.

Your Committee finds that teachers often pay out of their own pocket for materials to provide more creative ways to be effective in the classroom.

Your Committee notes the concerns of the Department of Taxation that based on an extension of certain federal tax deductions allowed for elementary and secondary school teachers, under the 2012 American Taxpayer Relief Act, this measure may allow teachers to receive duplicate tax benefits for the same expenditures.

Your Committee also notes the request of several testifiers to examine whether the tax credit should be expanded to cover

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certain expenses incurred by educational assistants, vice principals, principals, and public service librarians employed by the Hawaii State Public Library System.

Your Committee has amended this measure by:

- (1) Decreasing the maximum amount of the tax credit from \$500 to \$250; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 573, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 573, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Education,



JILL N. TOKUDA, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Education
EDU

Bill / Resolution No.:* SB573	Committee Referral: EDU, WAM	Date: 2-6-13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
RUDERMAN, Russell E.	✓			
SHIMABUKURO, Maile S.L.				✓
SLOM, Sam				✓
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes