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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 legislature finds that in a survey  
2 conducted by the Hawaii state teachers association, forty-seven  
3 per cent of the respondents cited annual personal expenditures  
4 of between \$250 and \$500 each year on classroom supplies, with  
5 many claiming expenditures in excess of \$1,000.

6           The purpose of this Act is to authorize a state income tax  
7 credit for certain expenses paid or incurred by school teachers,  
8 special education teachers, school librarians, and counselors  
9 for supplementary materials used in the classroom.

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

13          "§235-    Certain classroom expenses; tax credit. (a)  
14 There shall be allowed to each qualified taxpayer subject to the  
15 tax imposed by this chapter a tax credit for certain expenses  
16 that shall be deductible from the taxpayer's net income tax



1 liability, if any, imposed by this chapter for the taxable year  
2 in which the credit is properly claimed.

3 (b) The amount of the tax credit shall be equal to the  
4 amounts expended for certain expenses in a taxable year;  
5 provided that the credit shall not exceed \$ \_\_\_\_\_ per  
6 taxable year.

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

16 (d) No other tax credit may be claimed under this chapter  
17 for the certain expenses used to properly claim a tax credit  
18 under this section for the taxable year.

19 (e) The director of taxation shall prepare any forms that  
20 may be necessary to claim a credit under this section. The  
21 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 (f) For purposes of this section:

5 "Certain expenses" means expenses paid or incurred by a  
6 qualifying taxpayer who incurs the expenses in connection with  
7 books, supplies other than athletic supplies for courses of  
8 instruction in health or physical education, computer equipment,  
9 including related software and services, and supplementary  
10 materials used by the qualifying taxpayer in the classroom.

11 "Qualifying taxpayer" means a school teacher, special  
12 education teacher, school librarian, or counselor employed by  
13 the department of education, a charter school, or a private  
14 school in the State who instructs students in any grade between  
15 prekindergarten and twelfth grade."

16 SECTION 2. New statutory material is underscored.

17 SECTION 3. This Act, upon its approval, shall apply to  
18 taxable years beginning after December 31, 2015.

19  
INTRODUCED BY: Michelle Indani



# S.B. NO. 2624

**Report Title:**

Tax Credit; Education; Tax Credit for Certain Expenses of School Teachers

**Description:**

Authorizes a state income tax credit for certain expenses paid or incurred by school teachers, special education teachers, school librarians, and counselors for supplementary materials used in the classroom.

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

