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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 credit for certain expenses paid or incurred by  
3 school teachers, special education teachers, school librarians,  
4 and counselors for supplementary materials used in the  
5 classroom.

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 expenses; classrooms; 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 expenses of  
12 school teachers that shall be deductible from the taxpayer's net  
13 income tax liability, if any, imposed by this chapter for the  
14 taxable year in which the credit is properly claimed.

15           (b) The amount of the tax credit shall be equal to the  
16 amounts expended for certain expenses in a taxable year;  
17 provided that the credit shall not exceed \$500 per taxable year.



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

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

13       (e) The director of taxation shall prepare any forms that  
14 may be necessary to claim a credit under this section. The  
15 director may also require the taxpayer to furnish reasonable  
16 information to ascertain the validity of the claim for credit  
17 made under this section and may adopt rules necessary to  
18 effectuate the purposes of this section pursuant to chapter 91.

19       (f) For purposes of this section:  
20       "Certain expenses" means expenses paid or incurred by a  
21 qualifying taxpayer who incurs the expenses in connection with



1 books, supplies other than athletic supplies for courses of  
2 instruction in health or physical education, computer equipment,  
3 including related software and services, and supplementary  
4 materials used by the qualifying taxpayer in the classroom.

5 "Qualifying taxpayer" means a school teacher, special  
6 education teacher, school librarian, or counselor employed by  
7 the department of education, a charter school, or a private  
8 school in the State who instructs students in any grade between  
9 pre-kindergarten and twelfth grade."

10 SECTION 3. New statutory material is underscored.

11 SECTION 4. This Act, upon its approval, shall apply to  
12 taxable years beginning after December 31, 2015.

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**Report Title:**

School Teacher Tax Credit; School Expenses

**Description:**

Authorizes a state income tax credit up to \$500 for certain expenses paid or incurred by school teachers, special education teachers, school librarians, and counselors for supplementary materials used in the classroom. Applies to tax years beginning after 12/31/15. (SD1)

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

