
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 both employers and
2 employees benefit when companies provide the opportunity to
3 attend university classes at their place of business. This
4 benefits employees by reducing costs and travel time, while
5 providing them with the education and skills that will help them
6 to advance their careers. Employers benefit from strengthened
7 loyalty and reputation, as well as having a pool of capable
8 employees who are engaged at work.

9 The legislature also finds that the cost of retaining the
10 services of an instructor to conduct a university of Hawaii
11 class at an employer's place of business is \$9,600 per class.

12 The purpose of this Act is to establish an income tax
13 credit for employers that host a university of Hawaii class at
14 their place of business.

15 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
16 amended by adding a new section to part I to be appropriately
17 designated and to read as follows:



1 "§235- Workforce education; income tax credit. (a)

2 There shall be allowed to each qualified taxpayer subject to the
3 tax imposed under this chapter, a workforce education income tax
4 credit that shall be deductible from the taxpayer's net income
5 tax liability, if any, imposed by this chapter for the taxable
6 year in which the credit is properly claimed.

7 (b) In the case of a partnership, S corporation, estate,
8 or trust, the tax credit allowable is for qualified expenses
9 incurred by the entity for the taxable year. The expenses upon
10 which the tax credit is computed shall be determined at the
11 entity level. Distribution and share of credit shall be
12 determined by rule.

13 (c) The workforce education income tax credit shall be
14 equal to the qualified expenses of the qualified taxpayer, up to
15 a maximum of \$9,600 per class hosted by the qualified taxpayer.

16 (d) The director of taxation:

17 (1) Shall prepare any forms that may be necessary to claim
18 a tax credit under this section;

19 (2) May require the taxpayer to furnish reasonable
20 information to ascertain the validity of the claim for
21 the tax credit made under this section; and



1 (3) May adopt rules under chapter 91 necessary to
2 effectuate the purposes of this section.

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

12 (f) As used in this section:

13 "Qualified expenses" means expenses incurred by a qualified
14 taxpayer to retain the services of an instructor to conduct a
15 university of Hawaii class at the qualified taxpayer's place of
16 business.

17 "Qualified taxpayer" means a taxpayer that:

18 (1) Is registered to do business in the State;

19 (2) Employs residents of the State; and

20 (3) Hosts a university of Hawaii class at the taxpayer's
21 place of business."



H.B. NO. 1214

Report Title:

Workforce Training; Education; Income Tax Credit

Description:

Establishes an income tax credit for employers that host a University of Hawaii class at their place of business.

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

