
A BILL FOR AN ACT

RELATING TO A TEACHER TAX CREDIT.

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 respondents cited personal expenditures of between
4 two hundred fifty dollars and five hundred dollars each year on
5 classroom supplies, with many claiming expenditures in excess of
6 one thousand dollars. Moreover, according to numerous studies
7 of teacher compensation, Hawaii's public school teachers receive
8 the lowest salaries in the nation when adjusted for cost-of-
9 living. Therefore, when teachers are forced to purchase
10 classroom supplies out of their own pocketbooks because of
11 inadequate school funding, they face a disproportionately
12 adverse financial impact in comparison to their national peers.

13 The purpose of this Act is to provide teachers with
14 financial support for classroom expenses by establishing a five-
15 hundred dollar state income tax credit for teachers to offset
16 personal expenditures on school and classroom supplies.



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

4 "§235- Certain expenses; classrooms; tax credit. (a)

5 There shall be allowed to each qualified taxpayer subject to the
6 tax imposed by this chapter a tax credit for certain expenses of
7 school teachers that shall be deductible from the taxpayer's net
8 income tax liability, if any, imposed by this chapter for the
9 taxable year in which the credit is properly claimed.

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

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



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

4 (e) The director of taxation shall prepare any forms that
5 may be necessary to claim a credit under this section. The
6 director may also require the taxpayer to furnish reasonable
7 information to ascertain the validity of the claim for credit
8 made under this section and may adopt rules necessary to
9 effectuate the purposes of this section pursuant to chapter 91.

10 (f) As used in this section:

11 "Certain expenses" means expenses paid or incurred by a
12 qualifying taxpayer who incurs the expenses in connection with
13 books; supplies, other than athletic supplies for courses of
14 instruction in health or physical education; computer equipment,
15 including related software and services; and supplementary
16 materials used by the qualifying taxpayer in the classroom.

17 "Qualifying taxpayer" means, with respect to any taxable
18 year, an individual who is employed as a prekindergarten through
19 twelfth-grade teacher, instructor, school librarian, counselor,
20 principal, registrar, or aide in a school for at least nine



1 hundred hours during a school year. "Qualifying taxpayer"
2 includes a classroom teacher and special education teacher."

3 SECTION 3. New statutory material is underscored.

4 SECTION 4. This Act shall take effect on July 1, 2050, and
5 shall apply to taxable years beginning after December 31, 2019.



Report Title:

School Teacher Tax Credit; School Expenses

Description:

Establishes a state income tax credit for certain expenses incurred by prekindergarten through twelfth-grade teachers, instructors, school librarians, counselors, principals, registrars, or aides in a school. (HB726 HD1)

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