

---

---

# A BILL FOR AN ACT

RELATING TO TAXATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. 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- Teacher expenses; tax credit. (a) There shall  
5 be allowed to each qualifying taxpayer subject to the tax  
6 imposed by this chapter a tax credit for qualifying expenses  
7 that shall be deductible from the taxpayer's net income tax  
8 liability, if any, imposed by this chapter for the taxable year  
9 in which the credit is properly claimed.

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

13           (c) A qualifying taxpayer claiming a credit under this  
14 section shall obtain a written certificate from the school or  
15 schools at which the taxpayer is employed that verifies the:

16           (1) Amount of the qualifying expenses paid or incurred by  
17 the qualifying taxpayer; and



1       (2) Employment of the qualifying taxpayer during the  
2               period in which the materials or services purchased  
3               were used or applied.

4 The taxpayer shall file the certificate with the taxpayer's tax  
5 return with the department of taxation.

6       (d) If the tax credit under this section exceeds the  
7 taxpayer's net income tax liability, the excess of credit over  
8 liability may be used as a tax credit against the taxpayer's net  
9 income tax liability in subsequent years until exhausted.

10       (e) All claims for a tax credit under this section,  
11 including amended claims, shall be filed on or before the end of  
12 the twelfth month following the close of the taxable year for  
13 which the tax credit may be claimed. Failure to comply with the  
14 foregoing provision shall constitute a waiver of the right to  
15 claim the tax credit.

16       (f) No other tax credit or deduction shall be claimed  
17 under this chapter for the certain expenses used to claim a tax  
18 credit under this section for the taxable year.

19       (g) The director of taxation:

20       (1) Shall prepare any forms necessary to claim a tax  
21       credit under this section;



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

4        (3) May adopt rules, pursuant to chapter 91, to implement  
5        this section.

6        (h) As used in this section:

7        "Qualifying expenses" means expenses paid or incurred by a  
8        qualifying taxpayer in connection with:

9        (1) Books;

10       (2) Supplies, other than athletic supplies for courses of  
11       instruction in health or physical education;

12       (3) Computer equipment, including related software and  
13       services;

14       (4) Supplementary materials used in the classroom; and

15       (5) Professional-development courses related to the  
16       curriculum in which the taxpayer provides instruction.

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



1 taxpayer" includes a classroom teacher and special education  
2 teacher."

3 SECTION 2. New statutory material is underscored.

4 SECTION 3. This Act shall take effect on July 1, 2050, and  
5 shall apply to taxable years beginning after December 31, 2019.



**Report Title:**

Tax Credit; Teacher Expenses

**Description:**

Establishes a state income tax credit for certain expenses incurred by pre-kindergarten through grade twelve teachers, instructors, school librarians, counselors, principals, registrars, or aides in a school. (HB891 HD1)

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

