

STAND. COM. REP. NO.

647

Honolulu, Hawaii

February 15, 2019

RE: H.B. No. 726

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Lower & Higher Education, to which was referred H.B. No. 726 entitled:

"A BILL FOR AN ACT RELATING TO A TEACHER TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to support prekindergarten through twelfth-grade teachers at public and private schools in Hawaii by providing a non-refundable tax credit of up to \$500 per taxable year for expenses incurred by teachers for books, supplies, computer equipment, and supplementary materials used in classrooms.

The Department of Education, Hawaii State Teachers Association, and Democratic Party of Hawai'i Education Caucus supported this measure. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Amending the definition of "qualifying taxpayer" to require that the individual be employed for at least 900 hours during a school year to qualify for the tax credit;


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- (2) Applying the tax credit to taxable years beginning after December 31, 2019; and
- (3) Changing its effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Lower & Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 726, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 726, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Lower & Higher
Education,


JUSTIN H. WOODSON, Chair



