

Honolulu, Hawaii

FEB 07 , 2024

RE: H.B. No. 1652  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Education, to which was referred H.B. No. 1652 entitled:

"A BILL FOR AN ACT RELATING TO TAX CREDITS,"

begs leave to report as follows:

The purpose of this measure is to establish a state income tax credit for qualified expenses incurred by teachers and other school personnel employed by the Department of Education, Hawaii State Public Library System, or as part of a Head Start Program in a school.

Your Committee received testimony in support of this measure from the State Public Charter School Commission; Executive Office on Early Learning; Hawai'i State Teachers Association; Democratic Party of Hawai'i Education Caucus; and one individual. Your Committee received comments on this measure from the Department of Taxation; Department of Education; and Tax Foundation of Hawaii.

Your Committee finds that previous surveys conducted by the Hawaii State Teachers Association found that forty-seven percent of Hawaii's educators cited personal expenditures of between \$250 and \$500 each year on classroom supplies, with many claiming expenditures in excess of \$1,000. Your Committee further finds that in addition to spending personal funds on classroom supplies, educators also have to consider the high costs of living in




Hawaii, such as healthcare and housing. This measure will help relieve the financial burden of paying for classroom and school supplies that teachers and other school personnel face by providing financial support through an income tax credit.

Your Committee has amended this measure by:

- (1) Amending the definition of "qualified taxpayer" to include individuals employed by a public charter school as a prekindergarten through twelfth-grade teacher, instructor, school librarian, counselor, principal, registrar, or aide;
- (2) Removing the requirement for teachers and other school personnel to be employed for at least nine hundred hours during a school year to qualify for the tax credit;
- (3) Changing the effective date to July 1, 3000; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1652, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1652, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Education,

  
JUSTIN H. WOODSON, Chair



