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# A BILL FOR AN ACT

RELATING TO EDUCATION.

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

1 PART I

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

5 "§235- Credit for charter school facility development.

6 (a) There shall be allowed to each taxpayer who is subject to  
7 the tax imposed by this chapter, and does not owe the State  
8 delinquent taxes, penalties, or interest, a credit for  
9 contributions of money or in-kind goods and services for the  
10 development of charter school facilities. The credit shall be  
11 deductible from the taxpayer's net income tax liability, if any,  
12 imposed by this chapter for the taxable year in which the credit  
13 is properly claimed.

14 (b) The amount of the tax credit established under this  
15 section shall be equal to per cent of the value of  
16 contributions of in-kind goods and services to the Hawaii  
17 charter school facility development special fund for that  
18 taxable year; provided that the aggregate value of the



1 contributions of in-kind goods and services claimed by a  
2 taxpayer shall not exceed \$ \_\_\_\_\_ in a given taxable year.

3 (c) The tax credit allowed under this section shall be  
4 claimed against net income tax liability for the taxable year.

5 A tax credit under this section that exceeds the taxpayer's  
6 income tax liability may be used as a credit against the  
7 taxpayer's income tax liability in subsequent years until  
8 exhausted.

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

15 (e) The state public charter school commission shall  
16 maintain records of the names of taxpayers eligible for the  
17 credit and the total value of in-kind goods and services  
18 contributed for the development of charter school facilities for  
19 the taxable year. All contributions shall be verified by the  
20 state public charter school commission. The state public  
21 charter school commission shall total all contributions that it  
22 certifies. Upon each determination, the state public charter



1 school commission shall issue a certificate to the taxpayer  
2 certifying:

- 3 (1) The amount of the contribution; and
- 4 (2) That the taxpayer has obtained a current and valid  
5 certificate signed by the director of taxation,  
6 showing that the taxpayer does not owe the State any  
7 delinquent taxes, penalties, or interest.

8 The taxpayer shall file the certificate from the state public  
9 charter school commission with the taxpayer's tax return with  
10 the department of taxation. When the total amount of certified  
11 contributions reaches \$ \_\_\_\_\_, the state public charter  
12 school commission shall immediately discontinue certifying  
13 contributions and notify the department of taxation. In no  
14 instance shall the total amount of certified contributions  
15 exceed \$ \_\_\_\_\_ for each taxable year.

16 (f) The director of taxation shall prepare any forms that  
17 may be necessary to claim a tax credit under this section. The  
18 director may also require the taxpayer to furnish reasonable  
19 information to ascertain the validity of the claim for credit  
20 made under this section and may adopt rules necessary to  
21 effectuate the purposes of this section pursuant to chapter 91.

22 (g) For purposes of this section:



1 "Charter schools" has the same meaning as defined in  
2 section 302A-101.

3 "Net income tax liability" means net income tax liability  
4 reduced by all other credits allowed under this chapter.

5 "Value of contributions of in-kind goods and services"  
6 means the fair market value of goods and uncompensated services  
7 or labor, as determined and certified by the department of  
8 accounting and general services."

9 SECTION 2. Chapter 302D, Hawaii Revised Statutes, is  
10 amended by adding a new section to be appropriately designated  
11 and to read as follows:

12 "§302D- Hawaii charter school facility development  
13 special fund. (a) There is established within the department a  
14 special fund to be known as the Hawaii charter school facility  
15 development special fund, which shall be administered by the  
16 commission.

17 (b) Moneys in the Hawaii charter school facility  
18 development special fund may be:

19 (1) Expended by the commission for the acquisition,  
20 planning, design, improvement, construction,  
21 equipping, furnishing, administering, operating, and  
22 maintaining of charter school facilities and any other



1           purpose deemed necessary by the department for the  
 2           purpose of developing charter school facilities; or  
 3           (2) Pledged by the commission to secure loans from private  
 4           lending institutions for financially stable charter  
 5           schools.

6           (c) The Hawaii charter school facility development special  
 7           fund may receive contributions, grants, endowments, gifts in  
 8           cash or otherwise, loans, and bond financing from all sources,  
 9           including corporations or other businesses, foundations,  
 10          government, individuals, and other interested parties. Any  
 11          interest accrued on moneys in the fund shall become part of the  
 12          fund. The State may appropriate moneys to the fund."

PART II

14           SECTION 3. There is appropriated out of the general  
 15 revenues of the State of Hawaii the sum of \$            or so much  
 16 thereof as may be necessary for fiscal year 2014-2015 to be  
 17 deposited into the Hawaii charter school facility development  
 18 special fund.

19           SECTION 4. There is appropriated out of the Hawaii charter  
 20 school facility development special fund the sum of \$            or  
 21 so much thereof as may be necessary for fiscal year 2014-2015 to  
 22 support the development of charter school facilities.





**Report Title:**

Hawaii Charter School Facility Development Special Fund; Tax Credit; Appropriation

**Description:**

Establishes a special fund for the development of charter school facilities. Establishes an income tax credit for taxpayers who make contributions to the development of charter school facilities. Appropriates funds for the Hawaii charter school facility development special fund. Effective July 1, 2014.

(HB2576 HD1)

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

