A BILL FOR AN ACT

RELATING TO TAXATION.

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

SECTION 1. The legislature finds that a tax credit for teachers to offset personal funds used to purchase instructional materials and classroom supplies will provide relief to teachers until more permanent funding can be provided to furnish classrooms with the needed supplies.

The purpose of this Act is to establish a classroom supplies income tax credit for qualified teachers.

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

"§235- Classroom supplies; teachers; tax credit. (a)

There shall be allowed to each qualified teacher subject to the tax imposed under this chapter, a classroom supplies income tax credit that shall be deductible from the qualified teacher's net income tax liability, if any, imposed by this chapter for the taxable year in which the credit is properly claimed."
(b) The amount of the tax credit shall be equal to the amount paid or incurred by a qualified teacher for instructional materials or classroom supplies in a taxable year and shall not exceed $500 per qualified teacher.

(c) If the tax credit under this section exceeds the taxpayer's net income tax liability, the excess of the credit over liability may be used as a credit against the taxpayer's net income tax liability in the following taxable year, and the succeeding two years if necessary, until exhausted.

(d) The director of taxation shall prepare any forms that may be necessary to claim an exclusion under this section. The director may also require the qualified teacher to furnish reasonable information to ascertain the validity of the claim for an exclusion made under this section and may adopt rules to effectuate the purposes of this section pursuant to chapter 91.

(e) The department of taxation shall submit to the legislature an annual report twenty days prior to the convening of each regular session on the amount of credits used by qualified teachers.

(f) As used in this section:
"Instructional materials and classroom supplies" includes books, supplies, computer equipment, software, services, and other supplementary equipment and materials used in the classroom, but excludes non-secular materials and nonathletic supplies for courses in instruction in health or physical education.

"Qualified teacher" means a teacher in a public, charter, or private school who is within their first three years of employment and offers instruction to student in any grade between kindergarten and twelfth grade.

SECTION 3. New statutory material is underscored.

SECTION 4. This Act, upon its approval, shall apply to taxable years beginning after December 31, 2019; provided that this Act shall be repealed on December 31, 2025.
Report Title:
Income Tax Credit; Teachers; Classroom Supplies

Description:
Provides a classroom supplies income tax credit for qualified teachers. Repeals the tax credit on 12/31/2025.

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