STAND. COM. REP. NO. 3017

Honolulu, Hawaii

FEB 01 2008

RE: S.B. No. 2300

S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Madam:

Your Committee on Education, to which was referred S.B. No. 2300 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to establish a tax credit for teachers for professional development and training expenses.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Teachers Association. Testimony in opposition of this measure was submitted by one individual. Comments on the measure were also submitted by the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that Hawaii is experiencing a drastic teacher shortage, wherein the recruitment and retention of qualified teachers is of the utmost importance to the future of our education and our State. Your Committee further finds that the provision of incentives in varying manners will help in the battle to keep and attract qualified educators in the State. This measure provides a tax credit to public school teachers for their professional development and training expenses.

Upon further review of the testimony and information provided, your Committee understands that such professional development and training expenses may currently be deductible as business expenses for a teacher-taxpayer. The receipt of a deduction and a tax credit may be excessive; however, your

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Committee believes that the tax credit can still assist those teachers who do not itemize their deductions.

Accordingly, your Committee has amended this measure by:

- (1) Prohibiting an individual from claiming the professional development and training expenses as both an itemized tax deduction and a tax credit in any taxable year; and
- (2) Making a technical, nonsubstantive amendment for purposes of clarity 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 S.B. No. 2300, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2300, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

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

NORMAN SAKAMOTO, Chair

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Education EDU

Bill / Resolution No.:*	Committee Referral: Date:					
SB 2300	EDU, EDT, WAM			1-30-08		
The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:						
The Recommendation is:						
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members		Aye	Aye (W	R)	Nay	Excused
SAKAMOTO, Norman (C)		Х				
TOKUDA, Jill N. (VC)		X				
CHUN OAKLAND, Suzanne	X					
GABBARD, Mike		X				
HEE, Clayton						X
NISHIHARA, Clarence K.		<u> </u>				
TANIGUCHI, Brian T.	, , , , , , , , , , , , , , , , , , , ,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				人
SLOM, Sam		<u> </u>				
TOTAL		6	B		Ø	2
Recommendation:	\	in a mana at the control of the cont				
Adopted Not Adopted						
Chair's or Designee's Signature:						
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy						

^{*}Only one measure per Record of Votes