STAND. COM. REP. NO. 512-18

Honolulu, Hawaii

February 16, 2018

RE: H.B. No. 1720 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Education, to which was referred H.B. No. 1720 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Allow for an income tax deduction for amounts paid by teachers for professional development courses related to the curriculum in which the teacher provides instruction and for books, supplies, computer equipment, software, and supplementary materials used by the teacher in the classroom; and
- (2) Increase the franchise tax on banks and other financial institutions.

The Hawaii State Teachers Association, Kamehameha Schools, and an individual testified in support of this measure. Hawaii Bankers Association opposed this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Requiring that a teacher obtain written certification from the school or schools verifying the expenses paid or incurred and the employment of the teacher in order to claim an income tax deduction for the expenses under this measure;
- (2) Clarifying the definition of "teacher";
- (3) Removing the section that increases the franchise tax on banks and other financial corporations; and
- (4) Changing its effective date to July 1, 2050; and
- (5) Making technical, nonsubstantive amendments for 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. 1720, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1720, H.D. 1, and be referred to your Committee on Finance.

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

JULIN H. WOODSON, Chair

State of Hawaii House of Representatives The Twenty-ninth Legislature

HSCK 572-18

Record of Votes of the Committee on Education

Bill/Resolution No.: HB 1720	Committee Referral: EDN, FIN		Date: 7 FEB 2018	
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: □ Pass, unamended (as is) □ Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)				
EDN Members	Ayes	Ayes (WR)	Nays	Excused
1. WOODSON, Justin H. (C)				
2. KONG, Sam Satoru (VC)				
3. CREAGAN, Richard P.				
4. HASHEM, Mark J.				_
5. ING, Kaniela				
6. LEARMONT, Lei R.				
7. McKELVEY, Angus L.K.				
8. OHNO, Takashi	√			
9. ONISHI, Richard H.K.				
10. QUINLAN, Sean				
11. MATSUMOTO, Lauren Kealohi	lani /			
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TOTAL (11)	9			2
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				