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 both employers and 1 2 employees benefit when companies provide the opportunity to 3 attend university classes at their place of business. This 4 benefits employees by reducing costs and travel time, while providing them with the education and skills that will help them 5 to advance their careers. Employers benefit from strengthened 6 loyalty and reputation, as well as having a pool of capable 7 8 employees who are engaged at work.

9 The legislature also finds that the cost of retaining the 10 services of an instructor to conduct a university of Hawaii 11 class at an employer's place of business is \$9,600 per class.

12 The purpose of this Act is to establish an income tax 13 credit for employers that host a university of Hawaii class at 14 their place of business.

15 SECTION 2. Chapter 235, Hawaii Revised Statutes, is 16 amended by adding a new section to part I to be appropriately 17 designated and to read as follows:



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1	" <u>§23</u>	- <u>Workforce</u> ed	lucation; in	come tax cr	redit. (a)
2	There sha	1 be allowed to ea	ch qualifie	d taxpayer	subject to the
3	tax impos	d under this chapt	er, a workf	orce educat	tion income tax
4	credit th	t shall be deducti	ble from th	e taxpayer'	s net income
5	tax liabi	ity, if any, impos	ed by this	chapter for	the taxable
6	year in w	ich the credit is	properly cl	aimed.	
7	<u>(b)</u>	In the case of a p	partnership,	S corporat	ion, estate,
8	or trust,	the tax credit all	owable is f	or qualifie	ed expenses
9	incurred	y the entity for t	he taxable	year. The	expenses upon
10	which the	tax credit is comp	outed shall	be determir	ned at the
11	entity level. Distribution and share of credit shall be				
12	determined by rule.				
13	(c)	The workforce educ	ation incom	<u>e tax credi</u>	t shall be
14	equal to	he qualified expen	ses of the	qualified t	axpayer, up to
15	<u>a maximum</u>	of \$9,600 per clas	s hosted by	the qualif	ied taxpayer.
16	(d)	The director of ta	xation:		
17	(1)	Shall prepare any	forms that	may be nece	essary to claim
18		a tax credit under	this secti	on;	
19	(2)	May require the ta	xpayer to f	urnish reas	sonable
20		information to asc	ertain the	validity of	the claim for
21		the tax credit mad	le under thi	s section;	and



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1	(3) May adopt rules under chapter 91 necessary to				
2	effectuate the purposes of this section.				
3	(e) If the tax credit under this section exceeds the				
4	taxpayer's income tax liability, the excess of the credit over				
5	liability may be used as a credit against the taxpayer's income				
6	tax liability in subsequent years until exhausted. All claims				
7	for the tax credit under this section, including amended claims,				
8	shall be filed on or before the end of the twelfth month				
9	following the close of the taxable year for which the credit may				
10	be claimed. Failure to comply with the foregoing provision				
11	shall constitute a waiver of the right to claim the credit.				
12	(f) As used in this section:				
13	"Qualified expenses" means expenses incurred by a qualified				
14	taxpayer to retain the services of an instructor to conduct a				
15	university of Hawaii class at the qualified taxpayer's place of				
16	business.				
17	"Qualified taxpayer" means a taxpayer that:				
18	(1) Is registered to do business in the State;				
19	(2) Employs residents of the State; and				
20	(3) Hosts a university of Hawaii class at the taxpayer's				
21	place of business."				



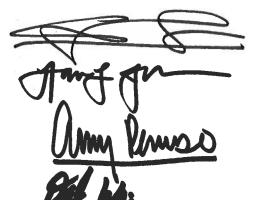
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1 SECTION 3. New statutory material is underscored.

2 SECTION 4. This Act, upon its approval, shall apply to

3 taxable years beginning after December 31, 2018.

INTRODUCED BY:



Stogan

JAN 2 3 2019



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Report Title:

Workforce Training; Education; Income Tax Credit

Description:

Establishes an income tax credit for employers that host a University of Hawaii class at their place of business.

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

