
A BILL FOR AN ACT

RELATING TO TAXATION.

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

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

4 "§235- Income tax exclusion for certain public school
5 teachers. (a) Every eligible teacher shall have up to \$30,000
6 excluded from the tax imposed by this chapter.

7 (b) The maximum amount of income that may be excluded
8 under this section shall be equal to one hundred per cent of the
9 gross income earned by an eligible teacher, up to \$30,000 per
10 taxable year for a single return or, if filing jointly and both
11 persons are eligible teachers, \$60,000 per taxable year.

12 (c) The director of taxation shall prepare any forms that
13 may be necessary to claim an exclusion under this section. The
14 director may also require the person to furnish reasonable
15 information to ascertain the validity of the claim for an
16 exclusion made under this section and may adopt rules necessary



1 to effectuate the purposes of this section pursuant to
2 chapter 91.

3 (d) As used in this section, "eligible teacher" means a
4 person who is a school teacher, special education teacher,
5 school librarian, or school counselor who is employed full-time
6 by the department of education or a charter school in the State
7 and who:

8 (1) Instructs or provides services to students in any
9 grade between prekindergarten and twelfth grade; and

10 (2) Earns \$60,000 or less in gross income per taxable year
11 as a full-time employee of the department of education
12 or a charter school; and

13 (3) Has a federal adjusted income of \$60,000 or less.

14 (e) If an otherwise eligible teacher files a joint return
15 with a person who is not an eligible teacher, the federal
16 adjusted gross income reported on the joint return shall be
17 \$120,000 or less for the eligible teacher to apply the exclusion
18 provided under subsection (a)."

19 SECTION 2. New statutory material is underscored.

20 SECTION 3. This Act, upon its approval, shall apply to
21 taxable years beginning after December 31, 2019.



Report Title:

Taxation; Income Tax Exclusion; Public School Teachers

Description:

Provides an income tax exclusion for certain public school teachers who earn \$60,000 or less per year, or households who earn \$120,000 or less per year if only one person is a teacher. Defines eligible teachers as full-time school teachers, special education teachers, school librarians and school counselors employed by the DOE or a charter school. (SD1)

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