

JAN 17 2020

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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

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

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

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

11           "§235- Classroom supplies; teachers; tax credit. (a)  
12 There shall be allowed to each qualified teacher subject to the  
13 tax imposed under this chapter, a classroom supplies income tax  
14 credit that shall be deductible from the qualified teacher's net  
15 income tax liability, if any, imposed by this chapter for the  
16 taxable year in which the credit is properly claimed.



# S.B. NO. 2455

1        (b) The amount of the tax credit shall be equal to the  
2 amount paid or incurred by a qualified teacher for instructional  
3 materials or classroom supplies in a taxable year and shall not  
4 exceed \$500 per qualified teacher.

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

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

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

20       (f) As used in this section:



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1        "Instructional materials and classroom supplies" includes  
 2 books, supplies, computer equipment, software, services, and  
 3 other supplementary equipment and materials used in the  
 4 classroom, but excludes non-secular materials and nonathletic  
 5 supplies for courses in instruction in health or physical  
 6 education.

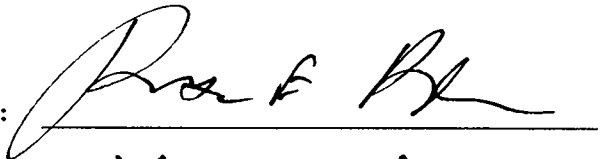
7        "Qualified teacher" means a teacher in a public, charter,  
 8 or private school who is within their first three years of  
 9 employment and offers instruction to student in any grade  
 10 between kindergarten and twelfth grade."

11        SECTION 3. New statutory material is underscored.

12        SECTION 4. This Act, upon its approval, shall apply to  
 13 taxable years beginning after December 31, 2019; provided that  
 14 this Act shall be repealed on December 31, 2025.

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INTRODUCED BY:




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# S.B. NO. 2455

**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.*

