
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- Teacher expenses; tax credit. (a) There shall
5 be allowed to each eligible educator subject to the tax imposed
6 by this chapter a nonrefundable tax credit for qualifying
7 expenses that shall be deductible from the eligible educator's
8 net income tax liability, if any, imposed by this chapter for
9 the taxable year in which the credit is properly claimed.
10 (b) The amount of the tax credit shall be equal to the
11 amount expended for qualifying expenses in a taxable year;
12 provided that the credit shall not exceed \$750 per taxable year.
13 (c) An eligible educator claiming a credit under this
14 section shall obtain a written certificate from the school or
15 schools at which the eligible educator is employed that verifies
16 the:



1 (1) Amount of the qualifying expenses paid or incurred by
2 the eligible educator; and

3 (2) Employment of the eligible educator during the period
4 in which the materials or services purchased were used
5 or applied.

6 The eligible educator shall file the certificate with the
7 educator's tax return with the department.

8 (d) If the tax credit under this section exceeds the
9 eligible educator's net income tax liability, the excess of
10 credit over liability may be used as a tax credit against the
11 eligible educator's net income tax liability in subsequent years
12 until exhausted.

13 (e) All claims for a tax credit under this section,
14 including amended claims, shall be filed on or before the end of
15 the twelfth month following the close of the taxable year for
16 which the tax credit may be claimed. Failure to comply with the
17 foregoing provision shall constitute a waiver of the right to
18 claim the tax credit.

19 (f) No other tax credit or deduction shall be claimed
20 under this chapter for the certain expenses used to claim a tax
21 credit under this section for the taxable year.



1 (g) The director of taxation:

2 (1) Shall prepare any forms necessary to claim a tax

3 credit under this section;

4 (2) May require the eligible educator to furnish

5 reasonable information to ascertain the validity of

6 the claim for the tax credit made under this section;

7 and

8 (3) May adopt rules, pursuant to chapter 91, to effectuate

9 the purposes of this section.

10 (h) As used in this section:

11 "Eligible educator" means, with respect to any taxable

12 year, an individual who is a pre-kindergarten through

13 twelfth-grade teacher, instructor, counselor, principal, or aide

14 in a school for at least nine hundred hours during a school

15 year.

16 "Personal protective equipment" includes gloves, medical

17 masks, N-95 respirators, eye protection, gowns and aprons, boots

18 or closed-toe work shoes, cleaning detergents, hand sanitizers,

19 and cleaning products and tools.

20 "Qualifying expenses" means expenses paid or incurred by an

21 eligible educator in connection with:



- 1 (1) Books;
- 2 (2) Supplies, other than athletic supplies for courses of
3 instruction in health or physical education;
- 4 (3) Computer equipment, including related software and
5 services;
- 6 (4) Supplementary materials used in the classroom;
- 7 (5) Professional-development courses related to the
8 curriculum in which the eligible educator provides
9 instruction; and
- 10 (6) Supplies, including personal protective equipment,
11 purchased from March 21, 2020, through June 30, 2021,
12 for the purpose of reducing the risk of coronavirus
13 disease 2019 transmission on the premises of the
14 school or schools at which the eligible educator is
15 employed."

16 SECTION 2. New statutory material is underscored.

17 SECTION 3. This Act shall take effect on July 1, 2050, and
18 shall apply to taxable years beginning after December 31, 2021.



H.B. NO. 791 H.D. 1

Report Title:

Tax Credit; Teacher Expenses

Description:

Establishes a state income tax credit for certain expenses incurred by pre-kindergarten through grade 12 teachers, instructors, counselors, principals, or aides in a school. Applies to taxable years beginning after 12/31/2021. Effective 7/1/2050. (HD1)

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

