
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 qualifying taxpayer subject to the tax
6 imposed by this chapter a nonrefundable tax credit for
7 qualifying expenses that shall be deductible from the taxpayer'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) A qualifying taxpayer claiming a credit under this
14 section shall obtain a written certificate from the school or
15 schools at which the taxpayer is employed that verifies the:

16 (1) Amount of the qualifying expenses paid or incurred by
17 the qualifying taxpayer; and



1 (2) Employment of the qualifying taxpayer during the
2 period in which the materials or services purchased
3 were used or applied.

4 The taxpayer shall file the certificate with the taxpayer's tax
5 return with the department.

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

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

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

19 (g) The director of taxation:

20 (1) Shall prepare any forms necessary to claim a tax
21 credit under this section;



1 (2) May require the taxpayer to furnish reasonable
2 information to ascertain the validity of the claim for
3 the tax credit made under this section; and

4 (3) May adopt rules, pursuant to chapter 91, to effectuate
5 the purposes of this section.

6 (h) As used in this section:

7 "Personal protective equipment" includes gloves, medical
8 masks, N-95 respirators, eye protection, gowns and aprons, boots
9 or closed-toe work shoes, cleaning detergents, hand sanitizers,
10 and cleaning products and tools.

11 "Qualifying expenses" means expenses paid or incurred by a
12 qualifying taxpayer in connection with:

13 (1) Books;

14 (2) Supplies, other than athletic supplies for courses of
15 instruction in health or physical education;

16 (3) Computer equipment, including related software and
17 services;

18 (4) Supplementary materials used in the classroom;

19 (5) Professional-development courses related to the
20 curriculum in which the taxpayer provides instruction;

21 and



1 (6) Supplies, including personal protective equipment,
 2 purchased from March 21, 2020, through June 30, 2021,
 3 for the purpose of reducing the risk of coronavirus
 4 disease 2019 transmission on the premises of the
 5 school or schools at which the qualifying taxpayer is
 6 employed.

7 "Qualifying taxpayer" means, with respect to any taxable
 8 year, an individual who is employed as a pre-kindergarten
 9 through twelfth-grade teacher, instructor, school librarian,
 10 counselor, principal, registrar, or aide in a school for at
 11 least nine hundred hours during a school year. "Qualifying
 12 taxpayer" includes a classroom teacher and special education
 13 teacher."

14 SECTION 2. New statutory material is underscored.

15 SECTION 3. This Act, upon its approval, shall apply to
 16 taxable years beginning after December 31, 2021.

17

INTRODUCED BY: Val [Signature]

JAN 25 2021



H.B. NO. 791

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, school librarians, counselors, principals, registrars, or aides in a school. Applies to taxable years beginning after 12/31/2021.

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

