

STAND. COM. REP. NO.

344

Honolulu, Hawaii

FEB 14, 2023

RE: H.B. No. 1327
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Education, to which was referred H.B. No. 1327 entitled:

"A BILL FOR AN ACT RELATING TO TAX CREDITS,"

begs leave to report as follows:

The purpose of this measure is to establish an income tax credit of up to \$500 per taxable year for expenses incurred by teachers and other school personnel for certain school and classroom supplies.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association Democratic Party of Hawai'i Education Caucus, and two individuals. Your Committee received testimony in support of the intent of this measure from the Executive Office on Early Learning and Hawai'i Children's Action Network Speaks!. Your Committee received comments on this measure from the Department of Education, Department of Taxation, Department of Budget and Finance, and Tax Foundation of Hawaii.

Your Committee finds that in a recent survey conducted by the Hawaii State Teachers Association to its members, survey respondents reported spending an average of \$953 of their own money a year on various classroom supplies. Your Committee further finds that in addition to spending personal funds on classroom supplies, educators also have to consider the high costs

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of living in Hawaii, such as healthcare and housing. This measure helps alleviate the financial burden of paying for classroom and school supplies that teachers and other school personnel face by providing financial support through an income tax credit.

Your Committee has amended this measure by:

- (1) Clarifying that no other deduction can be claimed under chapter 235, Hawaii Revised Statutes, for qualifying classroom and school supply expenses;
- (2) Amending the definition of "qualified taxpayer" to clarify that it includes individuals employed:
 - (A) By the Department of Education or the Hawaii State Public Library System as a prekindergarten through twelfth-grade teacher, instructor, school librarian, counselor, principal, registrar, or aide; or
 - (B) As a teacher or teacher assistant as part of a head start program; and
- (3) Changing its effective date to June 30, 3000.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1327, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1327, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Education,


JUSTIN H. WOODSON, Chair



Record of Votes of the Committee on Education

Bill/Resolution No.: HB 1327	Committee Referral: EDN, FIN	Date: 2/7/23		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDN Members	Ayes	Ayes (WR)	Nays	Excused
1. WOODSON, Justin H. (C)	/			
2. MARTEN, Lisa (VC)	/			
3. KAPELA, Jeanne	/			
4. MARTINEZ, Rose	/			
5. MATAYOSHI, Scot Z.	/			
6. PERRUSO, Amy A.	/			
7. QUINLAN, Sean	/			
8. TODD, Chris	/			
9. GARCIA, Diamond	/			
TOTAL (9)	9			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <i>Lisa Marten</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				