Honolulu, Hawaii

FEB 0 7 ' 2024

RE: H.B. No. 1652 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2024 State of Hawaii

Sir:

Your Committee on Education, to which was referred H.B. No. 1652 entitled:

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

begs leave to report as follows:

The purpose of this measure is to establish a state income tax credit for qualified expenses incurred by teachers and other school personnel employed by the Department of Education, Hawaii State Public Library System, or as part of a Head Start Program in a school.

Your Committee received testimony in support of this measure from the State Public Charter School Commission; Executive Office on Early Learning; Hawai'i State Teachers Association; Democratic Party of Hawai'i Education Caucus; and one individual. Your Committee received comments on this measure from the Department of Taxation; Department of Education; and Tax Foundation of Hawaii.

Your Committee finds that previous surveys conducted by the Hawaii State Teachers Association found that forty-seven percent of Hawaii's educators cited personal expenditures of between \$250 and \$500 each year on classroom supplies, with many claiming expenditures in excess of \$1,000. Your Committee further finds that in addition to spending personal funds on classroom supplies, educators also have to consider the high costs of living in

Hawaii, such as healthcare and housing. This measure will help relieve 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) Amending the definition of "qualified taxpayer" to include individuals employed by a public charter school as a prekindergarten through twelfth-grade teacher, instructor, school librarian, counselor, principal, registrar, or aide;
- (2) Removing the requirement for teachers and other school personnel to be employed for at least nine hundred hours during a school year to qualify for the tax credit;
- (3) Changing the effective date to July 1, 3000; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 1652, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1652, 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

## State of Hawaii House of Representatives The Thirty-second Legislature

HSCR 112-24

## **Record of Votes of the Committee on Education**

Bill/Resolution No.: Committee	ee Referral:	Date:		
HB1652 EDN, FIN 2/1/24				
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD)  Hold				
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. LA CHICA, Trish (VC)				T
3. KAPELA, Jeanne	<b>33</b> 11			
4 MADTEN Lice				
4. MARTEN, Lisa				
5. MARTINEZ, Rose				
				1 2 3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
6. MATAYOSHI, Scot Z.		M X X A RN - 2' A T SA T T T	<del>70.</del> <u>- 1</u> 0.	
	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		A CARROLL AND A	
7. MIZUNO, May Besario				
	Fustania H			
8. PERRUSO, Amy A.		\$1800,000 YELINGO (118 1971) H. 1725 H. \$ 1 32,7 3,8 9 9 10 10 20 7 10 10 10 10 10 10 10 10 10 10 10 10 10		As 2 - 4 - 4 - 4 - 4 - 4 - 4 - 4 - 4 - 4 -
9. QUINLAN, Sean			5000 H 1 442-21 II.	
		7.11		
10. TODD, Chris			KRADONANIANIN KEPAKATORA	
11. GARCIA, Diamond				
11. GARCIA, Damond				
				<u> </u>
TOTAL (11)				
The recommendation is:  Adopted  If joint referral, did not support recommendation.				
If joint referral, did not support recommendation.				
Vice Chair's or designee's signature: WSh la Um Um				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				