

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1014

Amendment Number: H1

Bill Subtitle: TO CREATE THE TEACHER'S CLASSROOM INVESTMENT DEDUCTION.

Basic Change :

Amendment No. 1 to HB 1014

This bill provides for an income tax deduction of up to \$500 per taxpayer for "Qualified classroom investment expenses" by a teacher for tax years beginning on and after January 1, 2017. Qualified expenses include books, school supplies, computer equipment and software, athletic equipment, food for teacher's students, and clothing for teacher's students. If a teacher is married to another teacher and files a joint tax return, both teachers may claim the full \$500 deduction each.

Revenue Impact :

FY2018 and after of \$860,000 per year reduction to General Revenue.

[If the \$500 deduction was reduced to \$250, the reduction to General Revenue would be \$430,000.]

Taxpayer Impact :

A teacher will be able to deduct up to \$500 in qualified expenses.

Resources Required :

Tax forms, instructions and computer system will need to be revised. Department employees and public will need to be educated.

Time Required :

Adequate time is provided.

Procedural Changes :

None.

Other Comments :

None.

Legal Analysis :

HB1014-H1 requires that the Director of the Department of Finance and Administration "shall" promulgate rules to implement this section. It is possible that promulgation of a rule may not be needed, and therefore it may be recommended to replace "shall" with "may".