STAND. COM. REP. NO. 975

Honolulu, Hawaii

MAR N 3 , 2023

RE: H.B. No. 40

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 40 entitled:

"A BILL FOR AN ACT RELATING TO THE GENERAL FUND,"

begs leave to report as follows:

The purpose of this measure is to provide a tax credit to taxpayers and make deposits to the Emergency and Budget Reserve Fund and Other Post-Employment Benefits Trust Fund pursuant to Article VII, section 6, of the Hawaii State Constitution.

Your Committee received testimony in support of this measure from four individuals. Your Committee received comments on this measure from the Department of Taxation, Department of Budget and Finance, Hawaii Emergency Management Agency, and Tax Foundation of Hawaii.

Your Committee finds that when the balance of the general fund at the close of each of two successive fiscal years has exceeded five percent of the general fund revenues for both fiscal years, article VII, section 6, of the Hawaii State Constitution requires the Legislature to dispose of excess general fund revenues through a tax credit or refund to state taxpayers; a deposit into one or more funds as supplemental sources of funding in times of an emergency, economic downturn, or unforeseen reduction in revenue; or an appropriation of general funds for the pre-payment of debt service for general obligation bonds or

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pension or other post-employment benefit liabilities accrued for state employees.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 40 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

KYLE T. YAMASHITA, Chair

State of Hawaii House of Representatives The Thirty-second Legislature



Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 40	Committee Referral: FIN		Date: 2/22/23	
☐ 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)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)	V			
2. KITAGAWA, Lisa (VC)	V			
3. AIU, Micah P.K.	V			
4. CHUN, Cory M.	V.			
5. COCHRAN, Elle				
6. GARRETT, Andrew Takuya	V			
7. KAHALOA, Kirstin	V			
8. KILA, Darius K.	V			
9. KOBAYASHI, Bertrand				
10. LAMOSAO, Rachele F.	V			
11. MORIKAWA, Dee	V			
12. NISHIMOTO, Scott Y.				V
13. POEPOE, Mahina	V			
14. TAKENOUCHI, Jenna	/			
15. ALCOS III, David	V			
16. WARD, Gene				
TOTAL (16)	15			1
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				