

STAND. COM. REP. NO.

1178

Honolulu, Hawaii

MAR 03 , 2023

RE: H.B. No. 954
H.D. 2

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. 954, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to change the amount of the state earned income tax credit to an unspecified percentage of the federal earned income tax credit allowed based on an individual's federal income tax return.

Your Committee received testimony in support of this measure from the Early Childhood Action Strategy, Hawai'i Children's Action Network Speaks!, Hawai'i Health & Harm Reduction Center, Democratic Party of Hawai'i Education Caucus, Imua Alliance, Hawaii Appleseed Center for Law & Economic Justice, Hawai'i Alliance for Progressive Action, and six individuals. Your Committee received comments on this measure from the Department of Budget and Finance and Department of Taxation.

Your Committee has amended this measure by:

- (1) Inserting provisions to amend the taxable income bracket and income tax rate, personal exemption, and standard deduction amounts for taxable years beginning after December 31, 2022;

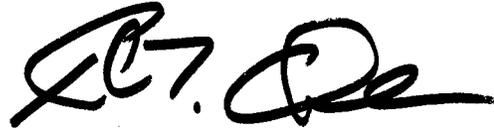
2023-2367 HB954 HD2 HSCR HMSO



- (2) Inserting provisions that adjust annually for tax years beginning after December 31, 2023, the income tax brackets and personal exemption and standard deduction amounts by a cost-of-living adjustment factor; and
- (3) 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 954, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 954, H.D. 2.

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



KYLE T. YAMASHITA, Chair



