STAND. COM. REP. NO. 166

Honolulu, Hawaii **FEB 28**, 2025 RE: H.B. No. 476 H.D. 2

Honorable Nadine K. Nakamura Speaker, House of Representatives Thirty-Third State Legislature Regular Session of 2025 State of Hawaii

Madame:

Your Committee on Finance, to which was referred H.B. No. 476, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CAPITAL GAINS TAX,"

begs leave to report as follows:

The purpose of this measure is to increase the capital gains tax rate for individuals, estates, and trusts to nine percent and the alternative capital gains tax rate for corporations to five percent.

Your Committee received testimony in support of this measure from the Hawai'i Health & Harm Reduction Center; Hawaii Appleseed Center for Law & Economic Justice; Hawaii State AFL-CIO; and two individuals. Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS; Grassroot Institute of Hawaii; Hawaiian Islands Republican Women; and numerous individuals. Your Committee received comments on this measure from the Department of Taxation; Hawai'i Children's Action Network Speaks!; Democratic Party of Hawai'i Education Caucus; and Tax Foundation of Hawaii.

Your Committee has amended this measure by changing the capital gains tax rate for individuals, estates, and trusts and alternative capital gains tax rate for corporations to unspecified percentages.



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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. 476, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 476, H.D. 2.

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

KYLE T. YAMASHITA, Chair



State of Hawaii House of Representatives The Thirty-third Legislature

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB474 (HD)		ee Referral: 1 FIN	Dat	······································	5
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)	1	5.4 <u>0</u>		
2. TAKENOUCHI, Jenna					
3. GRANDINETTI, Tina	Nakada	1			
4. HOLT, Daniel					
5. HUSSEY, Ikaika		/			
6. KEOHOKAPU-LEE L	OY, Sue L.		/		
7. KITAGAWA, Lisa		1			
8. KUSCH, Matthias					
9. LAMOSAO, Rachele F	• Agenter Frank		1		
10. LEE, Mike			17. June 10.		
11. MIYAKE, Tyson K.					
12. MORIKAWA, Dee			A. Marganet and a state of the state of the		A TOP & Westman and An Alberta Company and Anna
13. TEMPLO, Shirley Ann					
14. ALCOS III, David					
15. REYES ODA, Julie					
16. WARD, Gene					
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TOTAL (1	6)	10	3	2	
The recommendation is:	Adopted	Not Adopted	_		
If joint referral, did not support recommendation.					
committee cronym(s)					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					