STAND. COM. REP. NO. **872**-08

Honolulu, Hawaii

Fe 429, 2008

RE: H.B. No. 2099 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2099 entitled:

"A BILL FOR AN ACT RELATING TO INCOME TAX CREDIT,"

begs leave to report as follows:

The purpose of this bill is to provide a tax credit to taxpayers as required by article VII, section 6, of the State Constitution.

The Department of Taxation offered comments.

Your Committee has amended this bill by:

- (1) Providing a \$1 tax credit; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Article VII, section 6, of the State Constitution requires the Legislature to provide for a tax credit or tax refund whenever the general fund balance at the close of each of two successive fiscal years exceeds five percent of general fund revenues for each of the two fiscal years.

This bill meets that constitutional requirement by allowing each taxpayer a \$1 credit multiplied by the number of qualified exemptions a taxpayer is entitled to claim. The credit will be deductible from the 2008 taxable year.

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. 2099, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2099, H.D. 1, and be placed on the calendar for Third Reading.

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

Record of Votes of the Committee on Finance

HB 2099	Committee Referral: FIN		Date: 2-27-2008	
☐ 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. OSHIRO, Marcus R. (C)	レ			
2. LEE, Marilyn B. (VC)	ν			
3. AWANA, Karen Leinani				
4. BELATTI, Della Au				
5. BROWER, Tom				
6. CARROLL, Mele				V
7. HANOHANO, Faye P.				
8. HAR, Sharon E.				r
9. KARAMATSU, Jon Riki	V			
10. MAGAOAY, Michael Y.	V			
11. MANAHAN, Joey	l v			
12. MIZUNO, John				
13. NAKASONE, Bob				レ
14. RHOADS, Karl		Wenn		
15. SAGUM, Roland D., III				
16. TOKIOKA, James Kunane	✓			
17. MEYER, Colleen Rose				
18. PINE, Kymberly Marcos				
19. WARD, Gene, Ph.D.				
TOTAL (19)	14	1	0	4
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: Maily 3. Lee				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				