STAND. COM. REP. NO. 1761 -08

Honolulu, Hawaii

, 2008

RE:

S.B. No. 2660

S.D. 3

H.D. 2

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 S.B. No. 2660, S.D. 3, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO COLLEGE SAVINGS PROGRAMS,"

begs leave to report as follows:

The purpose of this bill is to increase the participation of Hawaii taxpayers in any qualifying college savings program by providing a state income tax deduction for contributions made to the program.

The Securities Industry and Financial Markets Association testified in support of this bill. The Department of Taxation, Department of Budget and Finance, Tax Foundation of Hawaii, Upromise Investments, Inc., and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Limiting the tax deduction only to contributions made to the State's college savings program, rather than to those of other states;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and

SB2660 HD2 HSCR FIN HMS 2008-3539

(3) Making technical, nonsubstantive amendments for clarity and style.

Your Committee finds that although this bill, as amended, allows an income tax deduction for contributions only to Hawaii's college savings program, the importance of a college education to the graduate's family and Hawaii's future necessitates serious consideration of extending the tax deduction to contributions to other state programs on a reciprocal basis.

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 S.B. No. 2660, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2660, S.D. 3, H.D. 2.

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

MARCUS R. OSHIRO, Chair

State of Hawaii House of Representatives The Twenty-fourth Legislature

Record of Votes of the Committee on Finance

Bill/Resolution No.: SB 2660, SD3, HD1	Committee Referral: Date: 3-31-		: 3-31-200	1-2008	
☐ 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)					
2. LEE, Marilyn B. (VC)					
3. AWANA, Karen Leinani					
4. BELATTI, Della Au				<u></u>	
5. BROWER, Tom					
6. CARROLL, Mele	~				
7. HANOHANO, Faye P.	ν				
8. HAR, Sharon E.	<u></u>				
9. KARAMATSU, Jon Riki					
10. MAGAOAY, Michael Y.	<u> </u>				
11. MANAHAN, Joey					
12. MIZUNO, John					
13. NAKASONE, Bob				₩	
14. RHOADS, Karl					
15. SAGUM, Roland D., III					
16. TOKIOKA, James Kunane	i i				
17. MEYER, Colleen Rose		W			
18. PINE, Kymberly Marcos	V				
19. WARD, Gene, Ph.D.					
TOTAL (19)	16	/	0	2	
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature: Mary 3 Lev					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office					