stand. com. rep. no. 2598

Honolulu, Hawaii

FEB 2 8 2008

RE: S.B. No. 2838

S.D. 2

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2838, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to allow a taxpayer's state income tax refund to be electronically deposited in a maximum of three checking or savings accounts.

Your Committee received testimony in support of this measure from the Hawaii Alliance for Community-Based Economic Development. Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that refund splitting, or the practice of splitting tax refund amounts electronically, provides a convenient opportunity for taxpayers to save refunded tax dollars and to implement long-term asset goals. This measure also follows the Internal Revenue Code model and provides a convenience that taxpayers can enjoy at both the federal and state levels. Your Committee believes that the Department of Transportation has sufficient current resources to accommodate the requirements of this measure.

Your Committee has amended the measure by:

- (1) Deleting references to the Department "revising" tax returns, which implies that the Department of Taxation may alter the contents of tax returns;
- (2) Allowing refund splitting only with respect to accounts for which an electronic refund request has been received at the federal level; and
- (3) Making technical amendments that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2838, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2838, S.D. 2.

Respectfully submitted on behalf of the members of the Committee on Ways and Means,

ROSALYN H. DBAKER. Chair

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:* SB2838, SDI	Committee Referral: HSP/EDT, WAM			Date: 2/21/09	
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members	·	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)		/			
TSUTSUI, Shan S. (VC)					
CHUN OAKLAND, Suzanne					
ENGLISH, J. Kalani					
FUKUNAGA, Carol					
HOOSER, Gary L.					
INOUYE, Lorraine R.		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
KIM, Donna Mercado					
MENOR, Ron					
TOKUDA, JIII N.					
HEMMINGS, Fred					***
WHALEN, Paul					
TATAL		/2_	Ø	Ø	r tyddogo granned fyrgian flor audionai byd ni'i blod
TOTAL		/ da			0
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original File with Committee Rep		ellow 's Office D	Pink rafting Agency		lenrod e File Copy

^{*}Only one measure per Record of Votes