STAND. COM. REP. NO. 921

Honolulu, Hawaii

March 6, 2009

RE: H.B. No. 1550 H.D. 2

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1550, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to begin to address general fund revenue shortfalls by amending Hawaii's tax law to impose the state income tax on rollovers made by employees of state and county agencies and tax-exempt organizations from qualifying annuity plans and qualifying deferred compensation plans, to eligible retirement plans or individual retirement accounts.

The Department of Taxation and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Clarifying that the tax applies to purchases of retirement credits of the State's Employee Retirement System;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

HB1550 HD2 HSCR FIN HMS 2009-2525

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. 1550, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1550, 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-fifth Legislature

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 1550 HD1	Committee Referral:	FIN Date		6,2009
☐ The committee is reconsidering its previous				•
	amended (as is) Part form bill with HD to reco	ss, with amendments ommit for future public		
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)				
2. LEE, Marilyn B. (VC)				
3. AQUINO, Henry J.C.				
4. AWANA, Karen Leinani				
5. BROWER, Tom				
6. CHOY, Isaac W.	· /			
7. COFFMAN, Denny	<u> </u>			
8. HAR, Sharon E.	~			
9. KEITH-AGARAN, Gilbert S.C.		8.0		
10. LEE, Chris				
11. NISHIMOTO, Scott Y.	- 15 m			V
12. SAGUM, Roland D., III				
13. TOKIOKA, James Kunane				
14. WOOLEY, Jessica				
15. YAMASHITA, Kyle T.	<u> </u>			
16. PINE, Kymberly Marcos				
17. WARD, Gene				
TOTAL (17)	16	0	\bigcirc	1
The recommendation is: Adopte If joint refe		did not suppor	rt recommendation	n
Vice Chair's or designee's signature:	Marily	B. Lee		
Distribution: Original (White) – Committee	Duplicate (Yellow) -	- Chief Clerk's Office	Duplicate (I	Pink) – HMSO