

STAND. COM. REP. NO.

1200

Honolulu, Hawaii

APR 09 2009

RE: H.B. No. 1747
H.D. 1
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1747, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to increase the Hawaii state income tax rates for high income earners.

This measure also increases the amount of the standard deduction and the personal exemption allowable in taxable years beginning after December 31, 2010.

One organization and one concerned individual submitted testimony in support of this measure. One government agency, one organization, and one concerned individual submitted testimony in opposition to this measure. One organization submitted comments on this measure. Written testimony and comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would increase the standard deduction and personal exemption amounts to provide tax relief to lower income earners. Your Committee also finds that creating additional tax brackets and higher income tax rates for high income earners is a progressive tax policy that would spread the tax burden more equitably among Hawaii's taxpayers. Your Committee also believes that this measure raises badly needed tax revenue for the State during the current economic crisis.

HB1747 SD1 SSCR LRB 09-3465.doc



1200

Your Committee has amended this measure by:

- (1) Raising the tax bracket amounts at which the higher tax rates begin for:
 - (A) Joint filers: \$350,000;
 - (B) Head of household filers: \$250,000; and
 - (C) Single filers: \$200,000;
- (2) Changing the effective date to January 1, 2050, to facilitate further discussion; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

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 H.B. No. 1747, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1747, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

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



DONNA MERCADO KIM, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 1747 HD1	Committee Referral: WAM	Date: APRIL 6 2009		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div> <input type="checkbox"/> Pass, unamended 2312 </div> <div> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div> <input type="checkbox"/> Hold 2310 </div> <div> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
GALUTERIA, Brickwood	/			
HEE, Clayton	/			
HOOSER, Gary L.	/			
KIDANI, Michelle N.	/			
KOKUBUN, Russell S.	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred			/	
TOTAL	11	0	1	0
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: 				
Distribution: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

*Only one measure per Record of Votes