

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



