

STAND. COM. REP. NO.

2895

Honolulu, Hawaii

MAR 30 2010

RE: H.B. No. 2596

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 2596 entitled:

"A BILL FOR AN ACT RELATING TO TAX CREDITS,"

begs leave to report as follows:

The purpose of this measure is to clarify the priority of income tax credit claims by requiring individuals who have no income tax liability to claim refundable tax credits prior to claiming non-refundable tax credits.

Testimony in support of this measure was submitted by the Department of Taxation. The Tax Foundation of Hawaii submitted comments. Written testimony may be reviewed on the Legislature's website.

Your Committee finds that there is no statutory framework for claiming income tax credits with respect to refundable and non-refundable tax credits. Establishing a priority by which tax credits must be claimed will save the State an estimated \$17,000,000 for at least two years. Your Committee believes that this measure will create certainty for budgeting the State's tax credit liabilities and provide a savings for the State.

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. 2596, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.



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

A handwritten signature in cursive script, appearing to read "Donna Mercado Kim", written over a horizontal line.

DONNA MERCADO KIM, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">HB 2596</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">03-16-10</div>		
<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; margin-top: 10px;"> <div><input checked="" type="checkbox"/> Pass, unamended 2312</div> <div><input 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	8	0	0	4
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: <div style="font-size: 1.5em; font-family: cursive; margin-top: 10px;"> </div>				
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