STAND. COM. REP. NO. 526 -10

Honolulu, Hawaii **F2326**, 2010 RE: H.B. No. 2872 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2010 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2872 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to temporarily:

- (1) Increase the tax rate on banks and other financial corporations;
- (2) Repeal the requirement that \$2,000,000 of the tax revenues from banks and other financial corporations be deposited into the Compliance Resolution Fund; and
- (3) Authorize the commissioner of financial institutions to expedite the imposition or increase of fees on banks and other financial corporations.

The Department of Commerce and Consumer Affairs, Hawaii Financial Services Association, and Hawaii Bankers Association opposed this bill. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

(1) Deleting all provisions for tax rate increases on banks and other financial corporations; and

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(2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 2872, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2872, H.D. 1, and be placed on the calendar for Third Reading.

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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 2872	FIN	Date	2/22	10
□ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: □ Pass, unamended (as is) Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	C,			
2. LEE, Marilyn B. (VC)				NAVANI ALIMIN BUILD III BALLIN
3. AQUINO; Henry J.C.				
4. AWANA, Karen Leinani				Nemservensee.co.
5. BROWER, Tom				
6. CHOY, Isaac W.				「新教育教育社会会社、1955年1月11」。
7. COFFMAN; Denny				
8. HAR, Sharon E.				
9. KEITH-AGARAN, Gilbert S.C.				
10. LEE, Chris 11. NISHIMOTO, Scott Y.				
12. SAGUM, Roland D., III				
13. TOKIOKA, James Kunane				And Andrewson and Andrewson and Andrewson
14. WOOLEY, Jessica				
15. YAMASHITA, Kyle T.				
16. FINNEGAN, Lynn				
17. WARD, Gene		V		
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TOTAL (17)	15	2	0	0
The recommendation is: Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature: Marily B. Lel				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				