STAND. COM. REP. NO. 782

Honolulu, Hawaii

Morch 6, 2009

RE: H.B. No. 333 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. 333, 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 help low-income working families build assets by:

- (1) Establishing a refundable state earned income tax credit (EITC) that is a certain percentage of the federal EITC amount they are entitled to, to be initially funded with federal Temporary Assistance for Needy Families funds; and
- (2) Restricting the interest charged by tax preparers to clients who claim the EITC.

The Hawaii Alliance for Community-Based Economic Development and Aloha United Way testified in support of this bill. The Department of Taxation, Department of Human Services, and Tax Foundation of Hawaii provided comments.

Your Committee finds that by establishing the state EITC rate at a certain percentage of the federal EITC amount, the state EITC amount would be inadvertently increased if the federal EITC amount were to be raised. Accordingly, your Committee has amended this

bill by stating that the reference to section 32 of the Internal Revenue Code is the section in effect on December 31, 2008.

This bill has also been amended by making technical, nonsubstantive amendments for style, clarity, and consistency.

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. 333, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 333, 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

HSCR 7PZ

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 333, HD1 Commit	tee Referral: HUS, F	-IN Date	Feb #	2009
☐ 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)				
2. LEE, Marilyn B. (VC)	/			
3. AQUINO, Henry J.C.				
4. AWANA, Karen Leinani	V			
5. BROWER, Tom				
6. CHOY, Isaac W.				
7. COFFMAN, Denny				\sim
8. HAR, Sharon E.	<i>U</i>			VIII (18 18 18 18 18 18 18 18 18 18 18 18 18 1
9. KEITH-AGARAN, Gilbert S.C.				
10. LEE, Chris	- -			
11. NISHIMOTO, Scott Y.				
12. SAGUM, Roland D., III	-			Rajja de Astronomores estado
13. TOKIOKA, James Kunane				
14. WOOLEY, Jessica				
15. YAMASHITA, Kyle T.				
16. PINE, Kymberly Marcos				
17. WARD, Gene				
		1		
TOTAL (17)	15		0	2
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: May 3. Lev				
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