STAND. COM. REP. NO. 680

Honolulu, Hawaii

March 4 , 2011

RE: H.B. No. 306 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 306 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill as received by your Committee is to require the Department of Taxation (DOTAX) to provide the Legislature with an annual report on individual income patterns in the State; a biennial report on the income patterns of corporations, proprietorships, and partnerships in the State; and an annual report on tax credits.

For the purposes of a public hearing, your Committee circulated a proposed H.D. 1 that deletes the bill's contents and:

- (1) Amends the method of computing the estate and transfer tax;
- (2) Repeals the income tax credit for resident taxpayers for income taxes paid to other jurisdictions; and
- (3) Imposes an excise tax on direct broadcast satellite service providers.

A concerned individual opposed this bill. DOTAX, the Tax Foundation of Hawaii, Hawaii Association of REALTORS, Oceanic Time Warner Cable, and several concerned individuals provided comments.

HB306 HD1 HSCR FIN HMS 2011-2852

Your Committee has amended this bill by adopting the proposed H.D. 1.

Your Committee has further amended this bill by:

- (1) Making the changes made to the computing method of the estate and transfer tax apply retroactively to the estates of decedents who died after April 30, 2010;
- (2) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (3) 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. 306, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 306, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Finance,

MARCUS R. OSHIRO, Chair

## State of Hawaii House of Representatives The Twenty-sixth Legislature

HSOR 680

## **Record of Votes of the Committee on Finance**

HB 306	FIN	Date:	3/3/1	1
☐ 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)	V			
3. CHONG, Pono				~
4. CHOY, Isaac W.				L
5. COFFMAN, Denny	レ			
6. CULLEN, Ty	V			
7. HAR, Sharon E.				
8. HASHEM, Mark J.	V,			
9. ICHIYAMA, Linda	/			
10. JORDAN, Jo	V			
11. LEE, Chris	V V			
12. MORIKAWA, Dee	<i>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</i>			
13. TOKIOKA, James Kunane			.,,	
14. YAMASHITA, Kyle T.				سا
15. MARUMOTO, Barbara C.				
16. RIVIERE, Gil		-		
17. WARD, Gene				
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TOTAL (17)	12	2,	0	3
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature: Bail B. Lee				
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