STAND. COM. REP. NO. 216

Honolulu, Hawaii **February 8** , 2013

RE: H.B. No. 1368 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2013 State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 1368 entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION,"

begs leave to report as follows:

The purpose of this measure is to increase the General Excise Tax and Use Tax for certain, specified services and commodities and to direct the deposit of 20 percent of such taxes to the Department of Education (DOE) for the operations of the DOE.

Parents for Public Schools Hawai'i and numerous individuals testified in support of this measure. The Department of Budget and Finance, and two individuals testified in opposition to this measure. The Department of Taxation and IMUAlliance offered comments.

Your Committee is cognizant that collective bargaining considerations between the State and unionized teacher organizations may relate to this measure. Your Committee notes that neither the DOE nor Hawaii State Teachers Association attended the hearing on this measure to answer important questions from Committee members. Yet, the pointed and passionate testimony of the individuals and teachers who testified on this measure demonstrates that this matter warrants further discussion.

Accordingly, your Committee has amended this measure by:

- (1) Inserting unspecified amounts in place of the specified tax increases;
- (2) Removing the language that directed 20 percent of the sum of tax revenue to the DOE; and
- (3) Changing its effective date to January 20, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1368, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1368, H.D. 1, and be referred to the Committee on Education.

Respectfully submitted on behalf of the members of the Committee on Economic Development & Business,





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

## Record of Votes of the Committee on Economic Development & Business

Bill/Resolution No.: HB 1368	Committee Referral: EDB, EDN, FIN	Dates	2/5	/13
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)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)			/	
2. WARD, Gene (VC)				
3. BROWER, Tom				
4. CACHOLA, Romy M.				
5. CHOY, Isaac W.		1 0 01 21		
6. OHNO, Takashi				
7. ONISHI, Richard H.K.				
8. TAKAYAMA, Gregg				
9. TOKIOKA, James Kunane				V_
TOTAL (9)	7		i	
The recommendation is:  Adopted  If joint referral,  Committee acrosym(s)  Not Adopted  did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) Committee Duplicate (Yellow) Chief Clerk's Office Duplicate (Pink) HMSO				