STAND. COM. REP. NO. 746

Honolulu, Hawaii

March1, 2013

RE: H.B. No. 694 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 Finance, to which was referred H.B. No. 694 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to repeal the temporary increase in income tax rates established by Act 60, Session Laws of Hawaii 2009, one year ahead of the scheduled sunset date.

The Department of Taxation and the Tax Foundation of Hawaii provided comments on this measure.

Your Committee notes that the intent of this measure is to provide tax relief to individuals filing taxes in the State.

Your Committee has amended this measure by:

- (1) Imposing on every taxpayer filing jointly, as a surviving spouse, head of household, unmarried individual, or married individual not filing jointly, new unspecified tax rates to apply to taxable years beginning after December 31, 2014;
- (2) Changing its effective date to January 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. 694, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 694, H.D. 1, and be placed on the calendar for Third Reading.

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

SYLVIA LYKE, Chair



State of Hawaii House of Representatives The Twenty-seventh Legislature

Record of Votes of the Committee on Finance

| Bill/Resolution No.: HB 694 | Committee Referral: Date: FEB 27, 2013 | | | |
|---|--|-----------|------|---------|
| ☐ 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. LUKE, Sylvia (C) | | | | |
| 2. NISHIMOTO, Scott Y. (VC) | | | | |
| 3. JOHANSON, Aaron Ling (VC) | | | | |
| 4. CULLEN, Ty J.K. | | | | |
| 5. HASHEM, Mark J. | | | | |
| 6. ING, Kaniela | | | | |
| 7. JORDAN, Jo | | | | |
| 8. KOBAYASHI, Bertrand | | | | |
| 9. LOWEN, Nicole E. | | | | |
| 10. MORIKAWA, Dee | | | | |
| 11. ONISHI, Richard H.K. | | | | |
| 12. TAKAYAMA, Gregg | | | | |
| 13. TOKIOKA, James Kunane | | | | |
| 14. WOODSON, Justin H. | | | | |
| 15. YAMASHITA, Kyle T. | | - | | |
| 16. FUKUMOTO, Beth | | | | |
| 17. WARD, Gene | | | | |
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| TOTAL (17) | (6 | | | |
| The recommendation is: Adopted | | | | |
| Vice Chair's or designee's signature: | | | | |
| Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO | | | | |