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Honolulu, Hawaii

FEB 0 7 2013

RE: S.B. No. 791 S.D. 1

Honorable Donna Mercado Kim President of the Senate Twenty-Seventh State Legislature Regular Session of 2013 State of Hawaii

## Madam:

Your Committee on Public Safety, Intergovernmental and Military Affairs, to which was referred S.B. No. 791 entitled:

"A BILL FOR AN ACT RELATING TO TAXABLE INCOME EXCLUSION," begs leave to report as follows:

The purpose and intent of this measure is to provide an income tax exemption for military service members on active duty who are serving outside the State pursuant to military orders.

Your Committee received testimony in support of this measure from the Department of Taxation, Oahu Veterans Center, and three individuals. Your Committee received comments on this measure from the Department of the Attorney General and Tax Foundation of Hawaii.

Your Committee finds that this measure helps to alleviate the financial hardships encountered by service members and their dependents when the service members are called to serve their country, often far away from their homes and families.

Your Committee has amended this measure by:

(1) Deleting the word "resident" so that the measure treats resident and non-resident service members the same, thereby avoiding a possible constitutional challenge; and (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 791, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 791, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Public Safety, Intergovernmental and Military Affairs,

WILL ESPERO, Chair

## The Senate Twenty-Seventh Legislature State of Hawaiʻi

## Record of Votes Committee on Public Safety, Intergovernmental and Military Affairs PSM

Bill / Resolution No.:*	Committee	Referral:	Da	ate:	
SB 791	PSM,	WAN	1	1-31-	2013
The committee is reconsidering its previous decision on this measure.  If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
ESPERO, Will (C)		/			
BAKER, Rosalyn H. (VC)					
GALUTERIA, Brickwood		/			
GREEN, Josh					
SLOM, Sam		/			
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·	1-10-10-10-10-10-10-10-10-10-10-10-10-10				
TOTAL		4			1
Recommendation:  Adopted  Not Adopted					
Chair's or Designee's Signature:  Honly Hale					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

<sup>\*</sup>Only one measure per Record of Votes