STAND. COM. REP. NO. 598

March 5, 2015

RE: H.B. No. 1179 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Eighth State Legislature Regular Session of 2015 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1179 entitled:

"A BILL FOR AN ACT RELATING TO INFLATION ADJUSTMENTS TO CHAPTER 235, HAWAII REVISED STATUTES,"

begs leave to report as follows:

The purpose of this measure is to require the Director of Taxation to annually adjust the standard deduction, income tax rate brackets, and personal exemption in response to increases in inflation until January 1, 2020. This measure also requires the Department of Taxation to report to the Legislature on the implementation and effectiveness of the adjustments made.

The ILWU Local 142, Laborers' International Union of North America Local 368, PHOCUSED, and Catholic Charities Hawaii submitted testimony in support of this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (2) 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. 1179, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1179, H.D. 1, and be placed on the calendar for Third Reading.

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



State of Hawaii House of Representatives The Twenty-eighth Legislature HSCR 598

Record of Votes of the Committee on Finance

Bill/Resolution No.:	Committee Referral:	Date:		
HB 1179	FIN	2/18/15		
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. CACHOLA, Romy M.				
4. CULLEN, Ty J.K.				
5. JOHANSON, Aaron Ling			11:1-10:	
6. JORDAN, Jo				
7. KEOHOKALOLE, Jarrett				
8. KOBAYASHI, Bertrand			700	
9. LOWEN, Nicole E.		·		
10. ONISHI, Richard H.K.				
11. TOKIOKA, James Kunane				
12. YAMASHITA, Kyle T.				
13. POUHA, Feki				
14. WARD, Gene				
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TOTAL (14)	13			
The recommendation is: Adopted				
If joint referral, did not support recommendation.				
Vice Chair's or designee's signature.				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				