STAND. COM. REP. NO. 527-16

Honolulu, Hawaii 2016 hand RE: H.B. No. 2519 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Eighth State Legislature Regular Session of 2016 State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred H.B. No. 2519 entitled:

"A BILL FOR AN ACT RELATING TO COLLEGE SAVINGS PROGRAM TAX DEDUCTION,"

begs leave to report as follows:

The purpose of this measure is to help individuals save for a higher education by providing annual income tax deductions for contributions made to a Hawaii College Savings Program account.

The Department of Taxation, Department of Budget and Finance, and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by;

- Clarifying that a taxpayer is limited to one deduction for all contributions made to all Hawaii College Savings Program accounts per year;
- (2) Clarifying the operation of the deduction-recapture provision;
- (3) Imposing for all nonqualified withdrawals, an additional penalty that is equal to ten percent of the amount of the unqualified withdrawal; and
- (4) Changing its effective date to July 1, 2525, to facilitate further discussion.



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As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2519, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2519, H.D. 1, and be referred to your Committee on Finance.

> Respectfully submitted on behalf of the members of the Committee on Higher Education,

ISAAC W. CHOY, Chair



State of Hawaii House of Representatives The Twenty-eighth Legislature

HSCR527-16

Record of Votes of the Committee on Higher Education

Bill/Resolution No.: HB 2519 HE	ittee Referral: D FIN	FIN Date: 2/4/14		
The committee is reconsidering its previous deci		I I		·
The recommendation is to:Image: Pass, unamendImage: Pass short formPass short form		ss, with amendments (mmit for future public		
HED Members	Ayes	Ayes (WR)	Nays	Excused
1. CHOY, Isaac W. (C)				
2. ICHIYAMA, Linda (VC)				
3. AQUINO, Henry J.C.				
4. ING, Kaniela				
5. ITO, Ken	✓			
6. KONG, Sam Satoru	1			
7. OHNO, Takashi	1			
8. SAY, Calvin K.Y.	V			
9. TAKUMI, Roy M.	1			
10. TSUJI, Clift				
11. MATSUMOTO, Lauren Kealohilani	 ✓ 			
12. TUPOLA, Andria P.L.	√			
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TOTAL (12)	11	D	Ø	l
The recommendation is: Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:	de lahi	yame		
Distribution: Original (White) – Committee	Duplicate (Yellow) -	- Chief Clerk's Office	Duplicate (Pink) – HMSO