STAND. COM. REP. NO. 59

Honolulu, Hawaii March 5 , 2015

RE: H.B. No. 886 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. 886 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION, "

begs leave to report as follows:

The purpose of this measure is to reduce income inequality in Hawaii by:

- Setting new income tax credit amounts claimable by lowincome households through the refundable food/excise and low-income household renters tax credits; and
- (2) Extending the high-earner income tax brackets established by Act 60, Session Laws of Hawaii 2009, as amended, by an additional five years.

The Hawaii Primary Care Association, Neighborhood Place of Puna, Americans for Democratic Action, Hawaii Government Employees Association, Hawaii Alliance for Community-Based Economic Development, ILWU Local 142, Hawaii Women's Coalition, and many individuals testified in support of this measure. Hawaii Association of Realtors and Chamber of Commerce Hawaii opposed this measure. The Department of Taxation, Tax Foundation of Hawaii, Hawaii Appleseed Center for Law and Economic Justice, IMUAlliance, Partners in Care, Catholic Charities Hawaii, League of Women Voters, Democratic Party of Hawaii, and PHOCUSED provided comments.

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Your Committee has amended this measure by:

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- Increasing the low-income household renters tax credit from \$50 to \$75 per qualified exemption;
- (2) Setting new adjusted gross income thresholds for individuals qualifying for the low-income household renters tax credit; 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. 886, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 886, 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 LUKE, Chair

State of Hawaii House of Representatives The Twenty-eighth Legislature

Record of Votes of the Committee on Finance

Bill/Resolution No.:	Committee Referral:		Date:	
HB 886	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				\\
6. JORDAN, Jo				
7. KEOHOKALOLE, Jarrett				
8. KOBAYASHI, Bertrand				[
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)	/3			1
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				