

STAND. COM. REP. NO.

2068

Honolulu, Hawaii

FEB 0 8 2016

RE: S.B. No. 2704
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Public Safety, Intergovernmental, and
Military Affairs, to which was referred S.B. No. 2704 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 exclusion for resident taxpayers who are on active
military duty who are serving outside the State pursuant to
orders.

Your Committee received testimony in support of this measure
from the Department of Defense. Your Committee received testimony
in opposition to this measure from one individual. Your Committee
received comments on this measure from the Department of Taxation
and Tax Foundation of Hawaii.

Your Committee finds that military personnel on active duty
frequently face financial hardships arising from obligations
arising in the State while they are deployed outside the State,
including the possibility of owing state income tax in multiple
states simultaneously. This places an unnecessary burden on
individuals who are already called upon to make significant
sacrifices in service to the nation. Your Committee further finds
that this measure will help to alleviate that unnecessary burden.

Your Committee has amended this measure by:



- (1) Incorporating language suggested by the Hawaii Department of Taxation; and
- (2) Making technical amendments to correctly reflect the language in the Hawaii Revised Statutes.

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. 2704, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2704, S.D. 1, and be referred to your Committee on Ways and Means.

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



CLARENCE K. NISHIHARA, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

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

Bill / Resolution No.:* SB2704	Committee Referral: PSM, WAM	Date: 2/2/16		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
NISHIHARA, Clarence K. (C)	✓			
ESPERO, Will (VC)	✓			
BAKER, Rosalyn H.	✓			
INOUYE, Lorraine R.	✓			
SLOM, Sam				✓
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">  </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes