STAND. COM. REP. NO. 77

Honolulu, Hawaii **Februay15**, 2017

RE: H.B. No. 1276 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred H.B. No. 1276 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to encourage Hawaii residents to pursue postsecondary education by providing a state income tax deduction for student loan interest paid on qualified education loans.

Three concerned individuals supported this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by:

- Clarifying that the state income tax deduction for student loan interest paid on qualified education loans shall be in addition to any other deduction provided by the Income Tax Law, as provided in Chapter 235, Hawaii Revised Statutes;
- (2) Leaving unspecified the maximum allowable deduction from gross income amount; and
- (3) Changing its effective date to July 1, 2050, to encourage 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. 1276, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1276, H.D. 1, and be referred to your Committee on Finance.

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

WOODSON, Chair н.



State of Hawaii House of Representatives The Twenty-ninth Legislature



Record of Votes of the Committee on Higher Education

Bill/Resolution No.: Comm HB 1276	nittee Referral: HED, FIN	Date	" 2/9/	2017
θ The committee is reconsidering its previous dec	· · · · ·			······································
The recommendation is to: θ Pass, unamendation θ Pass short for	ded (as is) Pa m bill with HD to reco	ss, with amendments mmit for future publ		
HED Members	Ayes	Ayes (WR)	Nays	Excused
I. WOODSON, Justin H. (C)				
2. HASHEM, Mark J. (VC)			2 (mart) 2	
3. CREAGAN, Richard P.				
4. HAR, Sharon E.				
5. ING, Kaniela				
5. OHNO, Takashi		-		
7. ONISHI, Richard H.K.				
3. TAKUMI, Roy M.				
9. MATSUMOTO, Lauren Kealohilani				
				<u>_</u>
TOTAL (9)	9	0	$\mid O$	$ $ \bigcirc
The recommendation is: Adopted If joint referral,	• Not Adop committee acronym	did not supp	ort recommendatio	n.
Vice Chair's or designee's signature:	f.H.	2		
Distribution: Original (White) – Committee	Duplicate (Yellow)	- Chief Clerk's Offic	e Duplicate (Pink) – HMSO