STAND. COM. REP. NO. 24

Honolulu, Hawaii FebMay (3, 2017

RE: H.B. No. 128 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. 128 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure to establish a college savings program income tax credit.

One individual provided testimony in support of this measure. The Department of Budget and Finance, Department of Taxation, and Tax Foundation of Hawaii offered comments.

Your Committee finds that Hawaii's college savings program is codified as chapter 256, Hawaii Revised Statutes, and that this measure is intended to create an incentive for taxpayers to invest in the college savings program. Your Committee notes that other jurisdictions allow contributions to a college savings program to be used as a tax deduction.

Your Committee has amended this measure by:

- Clarifying that the tax credit applies to a taxpayer's net income tax liability, and is based on contributions made by the taxpayer; and
- (2) Making technical nonsubstantive amendments for purposes of consistency, clarity, and style.

HB128 HD1 HSCR LRB 17-1045.doc

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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. 128, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 128, H.D. 1, and be referred to your Committee on Finance.

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

JUST ODSON, Chair



State of Hawaii House of Representatives The Twenty-ninth Legislature

Record of Votes of the Committee on Higher Education

Bill/Resolution No.: HB 128	Committee Referral: HED, F/N	Date:	2/2/1-	7
θ The committee is reconsidering its pre				
	s, unamended (as is) Pa s short form bill with HD to reco	uss, with amendments (commit for future public		
HED Members	Ayes	Ayes (WR)	Nays	Excused
. WOODSON, Justin H. (C)				
2. HASHEM, Mark J. (VC)			· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·
3. CREAGAN, Richard P.	· · ·			
I. HAR, Sharon E.			· · · · · · · · · · · · · · · · · · ·	
5. ING, Kaniela				
5. OHNO, Takashi				
7. ONISHI, Richard H.K.			······	
8. TAKUMI, Roy M.				
9. MATSUMOTO, Lauren Kealo	hilani			
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TOTAL (9)	9	O	\mathcal{O}	O
	dopted 0 Not Adop t referral,	did not suppo	rt recommendation	on.
Vice Chair's or designee's signature:	Not			
Distribution: Original (White) – Comn	nittee Duplicate (Yellow)	- Chief Clerk's Office	Duplicate	(Pink) – HMSO