

STAND. COM. REP. NO. 243

Honolulu, Hawaii

February 13, 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:

- (1) 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.



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,



JUSTIN H. WOODSON, Chair



