STAND. COM. REP. NO. 812

Honolulu, Hawaii

March 7. , 2017

RE: H.B. No. 145

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 Finance, to which was referred H.B. No. 145 entitled:

"A BILL FOR AN ACT RELATING TO NET INCOME TAX,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Restore the deduction for state taxes paid for taxpayers with income above specified thresholds; and
- (2) Establish limitations on claims for itemized tax deductions, based on a taxpayer's federal adjusted gross income.

The Department of Taxation and Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (2) 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. 145, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 145, 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-ninth Legislature



Record of Votes of the Committee on Finance

Bill/Resolution No.:	Committee Referral: FIN	Date		2017
HB145			2-9-2	-017
θ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: θ Pass, unamended (as is) θ Pass, with amendments (HD) θ Hold				
θ 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. CULLEN, Ty J.K. (VC)				
3. CACHOLA, Romy M.		E 1 1		
4. CHOY, Isaac W.				
5. DeCOITE, Lynn				4.4
6. GATES, Cedric Asuega				
7. HOLT, Daniel				
8. KEOHOKALOLE, Jarrett				
9. KOBAYASHI, Bertrand				
10. LoPRESTI, Matthew S.				
11. LOWEN, Nicole E.				
12. NAKAMURA, Nadine K.				
13. TOKIOKA, James Kunane			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
14. QUINLAN, Sean				
15. YAMASHITA, Kyle T.				- 4
16. TUPOLA, Andria P.L.	V			
17. WARD, Gene				
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TOTAL (17)	17	Ø	Ø	Ø
The recommendation is: Adopted B Not Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
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