STAND. COM. REP. NO. 22

Honolulu, Hawaii

Fobruary 4

No 179

E: H.B. No. 179 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 179 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to provide a nonrefundable income tax credit to any taxpayer who hires an individual with a disability in an amount equal to fifty percent of the employee's qualified wages in the first six months of employment.

The State Council on Developmental Disabilities, Maui County Council, Hawaii Disability Rights Center, and Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii supported this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Amending the definition of "qualified wages" to specify that "qualified wages" shall not include amounts for which another credit is claimed or a deduction is taken; and
- (2) Changing its effective date to January 1, 2050, to facilitate further discussion on this measure.

Your Committee recognizes that the proposed income tax credit under this measure is similar to the existing income tax credit for the hiring of vocational rehabilitation referrals under section 235-55.91, Hawaii Revised Statutes (HRS). Should this measure proceed through the legislative process, your Committee respectfully requests that the Committee on Finance consider the merits of establishing a nonrefundable income tax credit as provided under this measure as compared to amending the existing income tax credit under section 235-55.91, HRS.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 179, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 179, H.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on behalf of the members of the Committee on Labor & Public Employment,

AARON LING JOHANSON, Chair

State of Hawaii House of Representatives The THIRTIETH Legislature



Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.:	Committee Referral:	Date:		
HB 179	LAB, JUD, FIN	·	1/29/19	
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)				
2. ELI, Stacelynn K.M. (VC)	✓			
3. ICHIYAMA, Linda	~			managa na sise 197 di ana 1923 1933 1934 19
4. KITAGAWA, Lisa				Control Colonia, Colonia Base Table 25 in C
5. McKELVEY, Angus L.K.	✓			
6. QUINLAN, Sean				
7. YAMASHITA, Kyle T.			and amount of the second	rakento de la la la garacia.
8. MATSUMOTO, Lauren	/	in the live will see to 100 to the control of the property of the control of the	open met at the second management and the additional and the second met at the second met at the second met at	<u> Adam na jardhani</u> shi kilot oʻlagga sidani
				<u> </u>
				-
TOTAL (8)	8			
The recommendation is: ☐ Adopted ☐ Not Adopted ☐ If joint referral, did not support recommendation. ☐ Committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				