STAND. COM. REP. NO.

Honolulu, Hawaii

MAR 01 , 2019

RE: H.B. No. 885 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 Finance, to which was referred H.B. No. 885 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to require that all new income tax credits established after January 1, 2020, include a mandatory five-year sunset date or a gradual reduction of one-third of the credit amount claimed over a three-year period.

The Hawaii Appleseed Center for Law and Economic Justice opposed this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by changing the effective date to July 1, 2030, to encourage further discussion.

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. 885, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 885, H.D. 1, and be placed on the calendar for Third Reading.

STAND. COM. REP. NO. 11 VC

Respectfully submitted on behalf of the members of the Committee on Finance,

SYLVIA LUKE, Chair

State of Hawaii House of Representatives The THIRTIETH Legislature

HSCH 1160

Record of Votes of the Committee on Finance

Bill/Resolution No.: Hb 865 Committee	e Referral: FIN	Date	2-6-2	2019
☐ 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)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. CULLEN, Ty J.K. (VC)				
3. ELI, Stacelynn K.M.			•	
4. GATES, Cedric Asuega				
5. HASHIMOTO, Troy N.				
6. HOLT, Daniel				
7. KITAGAWA, Lisa	1			
8. KOBAYASHI, Bertrand				
9. MATAYOSHI, Scot Z.				
10. NAKAMURA, Nadine K.				/
11. NISHIMOTO, Scott Y.				
12. TODD, Chris				
13. WILDBERGER, Tina				
14. YAMASHITA, Kyle T.				
15. McDERMOTT, Bob				<u></u>
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TOTAL (15)	14	Ø	Ø	
The recommendation is: 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				