

3003

Honolulu, Hawaii

FEB 27 2020

RE: S.B. No. 2261
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2261, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to address the shortage of teachers in the State.

Specifically, this measure:

- (1) Provides an income tax exclusion for certain public school teachers who earn \$60,000 or less per year; and
- (2) Defines eligible teachers as school teachers, special education teachers, school librarians, and school counselors employed by the Department of Education or a charter school.

Your Committee received written comments in support of this measure from the Early Learning Board, Hawaii Teacher Standards Board, Democratic Party of Hawaii Education Caucus, Hawaii State Teachers Association, Hui for Excellence in Education, Kamehameha Schools, and one individual.

Your Committee received written comments in opposition to this measure from the Hawaii Government Employees Association.



Your Committee received written comments on this measure from the Department of Taxation, Executive Office on Early Learning, and Tax Foundation of Hawaii.

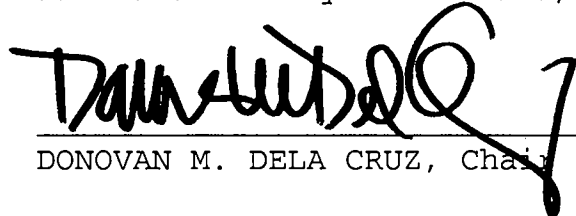
Your Committee finds that the State is experiencing a chronic shortage of qualified teachers, due in part to the high cost of living in Hawaii. This measure is intended to improve teacher recruitment and retention by reducing the income tax burden on eligible teachers.

Your Committee has amended this measure by:

- (1) Establishing the income tax exclusion as part of section 235-7, Hawaii Revised Statutes, rather than as a new statutory section; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2261, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2261, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

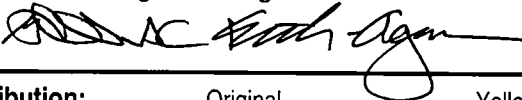


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 2261 SD 1	Committee Referral: EDU WAM	Date: 2/11/20		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani				X
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i				X
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.	X			
FEVELLA, Kurt	X			
TOTAL	11			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes