

STAND. COM. REP. NO.

523

Honolulu, Hawaii

FEB 19 , 2021

RE: H.B. No. 133
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred
H.B. No. 133 entitled:

"A BILL FOR AN ACT RELATING TO CAPITAL GAINS,"

begs leave to report as follows:

The purpose of this measure is to increase the Capital Gains
Tax threshold from 7.25 percent to nine percent.

Your Committee received testimony in support of this measure
from the Young Progressives Demanding Action, Americans for
Democratic Action Hawai'i, Planned Parenthood Votes Northwest and
Hawaii, Pono Hawai'i Initiative, Imua Alliance, Democratic Party of
Hawai'i Education Caucus, Hawai'i Health & Harm Reduction Center,
Hawaii State Teachers Association, Hawaii Children's Action
Network Speaks!, Hawai'i Budget & Policy Center, and eighteen
individuals. Your Committee received testimony in opposition to
this measure from the Honolulu County Republican Party; Kauai Sea
Farms, LLC; and five individuals. Your Committee received
comments on this measure from the Department of Taxation and Tax
Foundation of Hawaii.

Your Committee finds that the economic impact of the COVID-19
pandemic will require the State to look for additional ways to
make up for the loss of state revenues, such as an increase in the
Capital Gains Tax. This measure provides the State with such an

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option through the collection of additional revenue, which can be used to support the critical programs and services that serve the general public.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 133, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development,



SEAN QUINLAN, Chair



