

STAND. COM. REP. NO. 1556

Honolulu, Hawaii

APR 08 2021

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

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 133, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent 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 Hawaii Children's Action Network Speaks!, Americans for Democratic Action, Young Progressives Demanding Action, Planned Parenthood Votes Northwest and Hawaii, League of Women Voters Hawaii, Hawaii Budget and Policy Center, Foresight/Policy Analysis, Advocacy Coalition, Imua Alliance, Democratic Party of Hawaii Education Caucus, PHOCUSED, Hawaii State Teachers Association, Democratic Party of Hawaii Labor Caucus, Hawaii Alliance for Progressive Action, Neighborhood Place of Puna, and numerous individuals.

Your Committee received testimony in opposition to this measure from Chamber of Commerce Hawaii and seven individuals.

Your Committee received written comments on this measure from the Department of Taxation, Hawaii Association of Realtors, Tax Foundation of Hawaii, and Grassroot Institute of Hawaii.



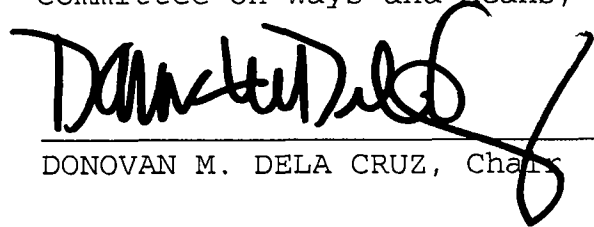
Your Committee finds that increasing the capital gains tax threshold for individuals and corporations will create additional revenue for the State to help address houselessness, domestic violence, mental illness, and other issues that have been exacerbated by the coronavirus disease 2019 pandemic.

Your Committee has amended this measure by:

- (1) Amending section 235-71.5, Hawaii Revised Statutes, to increase the capital gains tax threshold for corporations from four percent to five percent; and
- (2) Changing the effective date to July 1, 2021.

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 H.B. No. 133, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 133, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

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



DONOVAN M. DELA CRUZ, Chair



The Senate  
 Thirty-First Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>HB 133, HD 1</b>	Committee Referral: <b>WAM</b>	Date: <b>3/29/21</b>		
<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			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.				X
TANIGUCHI, Brian T.				X
WAKAI, Glenn				X
FEVELLA, Kurt	X			
<b>TOTAL</b>	8			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes