STAND. COM. REP. NO. 523



, 2021

Honolulu, Hawaii

FEB 19

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 Hawaii, Planned Parenthood Votes Northwest and Hawaii, Pono Hawaii Initiative, Imua Alliance, Democratic Party of Hawaii Education Caucus, Hawaii Health & Harm Reduction Center, Hawaii State Teachers Association, Hawaii Children's Action Network Speaks!, Hawaii 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

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 OUINLAN, Chair

State of Hawaii House of Representatives The Thirty-first Legislature HSCR 523

Record of Votes of the Committee on Economic Development

Bill/Resolution No.: HB 133	Committee Referral: Date: 2/17/2/			21
θ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: θ Pass, unamended (as is) θ Pass, with amendments (HD) θ Hold θ Pass short form bill with HD to recommit for future public hearing (recommit)				
ECD Members	Ayes	Ayes (WR)	Nays	Excused
1. QUINLAN, Sean (C)				
2. HOLT, Daniel (VC)	J			
3. BELATTI, Della Au				
4. KOBAYASHI, Dale T.				
5. ONISHI, Richard H.K.				
3. ONISHI, KKHATU II.K.				
6. SAYAMA, Jackson D.				
7. TAKAYAMA, Gregg				and the state of t
8. OKIMOTO, Val			✓	
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TOTAL (8)	7	0		\bigcirc
The recommendation is: θ Adopted θ 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				