

Honolulu, Hawaii

MAR 03 2023

RE: S.B. No. 1568
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1568, 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 amend the county surcharge on state tax.

More specifically, this measure:

- (1) Extends the period in which a county may adopt a surcharge on state tax, under certain conditions, from March 31, 2019, to December 31, 2023;
- (2) Authorizes, in certain instances, the use of county surcharge revenues for housing infrastructure; and
- (3) Temporarily authorizes counties that have previously adopted a surcharge on state tax to amend the rates and uses of the surcharge.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation, Office of the Mayor of the County of Maui, Maui Hotel and Lodging Association, and one individual.



Your Committee received written comments in opposition to this measure from one individual.

Your Committee received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

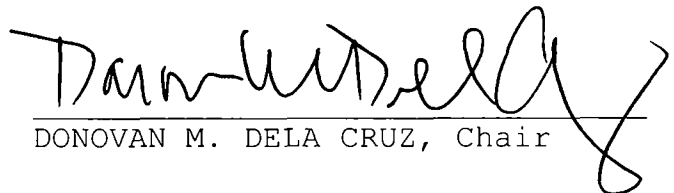
Your Committee finds that the development of housing is of critical importance to the State. Your Committee also finds that the high cost of infrastructure is a factor that makes homes expensive, to the point of being unobtainable for many local families. Your Committee further finds that making counties, rather than private developers, responsible for the location, planning, and development of infrastructure to support housing would result in more efficient community planning.

Your Committee has amended this measure by:

- (1) Clarifying that any change to a county's surcharge rate shall take effect on January 1, 2025; and
- (2) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

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. 1568, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No.1568, S.D. 2.


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


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-Second Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 1568 SD1	Committee Referral: HOU/PSM, WAM	Date: 2/22/23		
<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			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	13			
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