STAND. COM. REP. NO. 718

Honolulu, Hawaii

MAR 0 3 2023

RE: S.B. No. 281 S.D. 2

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

begs leave to report as follows:

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 281, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE COLLEGE SAVINGS PROGRAM,"

The purpose and intent of this measure is to provide a state income tax deduction for certain contributions to any college savings program established under section 529 of the Internal Revenue Code.

Your Committee received written comments in support of this measure from one individual.

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

Your Committee finds that providing a state income tax deduction for contributions to a college savings program will provide an additional tax incentive for families to save for college and allow Hawaii to join the approximately thirty other states that provide a tax deduction or credit for similar contributions.

Your Committee has amended this measure by clarifying that any contributions that exceed the maximum deductible amount for a

taxable year may be used as an income tax deduction for four subsequent tax years or until the excess amount is exhausted, whichever occurs first.

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. 281, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 281, 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 281, 501	Committee Referral: HRE, WAM		Date: 2/15/23			
The Committee is reconsidering its previous decision on this measure.						
If so, then the previous decision was to:						
The Recommendation is:						
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members		Aye	Aye (W	'R)	Nay	Excused
DELA CRUZ, Donovan M. (C)		_ K			· · · · · · · · · · · · · · · · · · ·	
KEITH-AGARAN, Gilbert S.C. (VC)		Y				
AQUINO, Henry J.C.		×				
DECOITE, Lynn		Х				
INOUYE, Lorraine R.		Х			· · · · · · · · · · · · · · · · · · ·	
KANUHA, Dru Mamo		X				
KIDANI, Michelle N.		×				
KIM, Donna Mercado		X				
LEE, Chris		_				X
MORIWAKI, Sharon Y.						X
SHIMABUKURO, Maile S.L.		×				
WAKAI, Glenn		×				
FEVELLA, Kurt		X				
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TOTAL		11	<u>.</u>			2
Recommendation: Adopted 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