

STAND. COM. REP. NO.

1145

Honolulu, Hawaii

MAR 03 , 2023

RE: H.B. No. 1363

H.D. 3

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1363, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Extend the period within which a county may adopt a surcharge on state tax, under certain conditions, from March 31, 2019, to December 31, 2023;
- (2) Authorize, in certain instances, the use of county surcharge revenues for housing infrastructure and operating or capital costs of walkways on county roads near public schools; and
- (3) Temporarily authorize counties that have previously adopted a surcharge on state tax to amend the uses of surcharge revenues.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Office of the Mayor of the County of Maui, two members of the Maui County Council, Maui Hotel & Lodging Association, and Land Use Research Foundation of Hawaii. Your Committee received comments

2023-2190 HB1363 HD3 HSCR HMSO



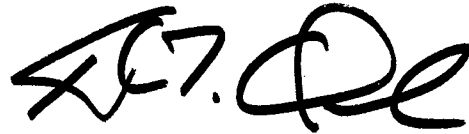
on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee has amended this measure by:

- (1) Clarifying that a county with a population equal to or less than 500,000 that adopts a county surcharge on state tax ordinance after December 31, 2022, shall only use the surcharge revenues for housing infrastructure; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1363, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1363, H.D. 3.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



KYLE T. YAMASHITA, Chair



