

Honolulu, Hawaii

APR 06 2023

RE: H.B. No. 954
H.D. 2
S.D. 1

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 H.B. No. 954, H.D. 2, 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 State's tax laws to provide tax relief for working families.

More specifically, the measure:

- (1) Increases the amounts for the income tax brackets and personal exemption and standard deduction amounts for tax year 2023;
- (2) Adjusts annually for tax years beginning after December 31, 2023, the income tax brackets and personal exemption and standard deduction amounts by a cost-of-living adjustment factor;
- (3) Amends the taxable income brackets and income tax rates for each filing status for taxable years beginning after December 31, 2022; and
- (4) Changes the amount of the state earned income tax credit to an unspecified percentage of the federal earned



income tax credit allowed based on an individual's federal income tax return.

Your Committee received written comments in support of this measure from the Office of the Governor, Hawaii State Teachers Association, Early Childhood Action Strategy, Better Tomorrows, Holomua Collaborative, Parents and Children Together, Democratic Party of Hawaii Education Caucus, Aloha United Way, Hawaii Children's Action Network Speaks!, Progressive Democrats of Hawaii, and numerous individuals.

Your Committee received written comments on this measure from the Department of Taxation, Department of Budget and Finance, Tax Foundation of Hawaii, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Children's Action Network Speaks!, Imua Alliance, Grassroot Institute of Hawaii, and two individuals.

Your Committee finds that the tax relief provided by this measure for low- to moderate-income taxpayers will allow the State's residents to retain more of their income, and will help address cost of living increases.

Your Committee has amended this measure by:

- (1) Deleting section 5 of the measure, which would have amended the amount of the State's earned income tax credit; and
- (2) Making the measure effective upon its approval and applicable to taxable years beginning after December 31, 2022.

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. 954, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 954, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.



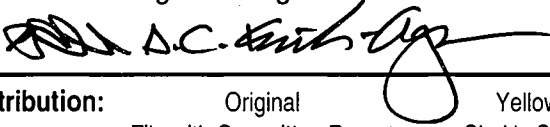
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i


Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 954 HD2	Committee Referral: WAM	Date: 4/5/23		
<input checked="" type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: <u>PASS W/ AMENDMENTS</u>				
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			
INOUE, 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	10			3
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

The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 954 HD2	Committee Referral: WAM	Date: 4/4/23		
<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				

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