STAND. COM. REP. NO.

703 -24

Honolulu, Hawaii

, 2024

FEB 29

RE: H.B. No. 1803

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2024 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1803, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PASS-THROUGH ENTITY TAXATION," begs leave to report as follows:

The purpose of this measure is to reduce the pass-through entity level tax rate and allow the pass-through entity tax credit to be carried forward to subsequent years.

Your Committee received testimony in support of this measure from Accuity LLP; Hawai'i Restaurant Association; Grassroot Institute of Hawaii; Craft 'Ohana; Chamber of Commerce Hawaii; C&Y CPAs LLC; and three individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

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. 1803, H.D. 1, and recommends that it pass Third Reading.

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

KYLE T. YAMASHITA, Chair

State of Hawaii House of Representatives The Thirty-second Legislature HSCR 703-24

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 1803 HD 1	COMMITTEE Referral:	Date O2	122/2021	1
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)				
2. KITAGAWA, Lisa (VC)		Page 1	2267 (489)277 (100)	
3. AIU, Micah P.K.				
4. CHUN, Cory M. 5. COCHRAN, Elle				
5. COCHRAN, Elle 6. GARRETT, Andrew Takuya				
7. KAHALOA, Kirstin			TOTAL TENDERS OF AUTOM	
8. KILA, Darius K.				
9. KOBAYASHI, Bertrand				
10. LAMOSAO, Rachele F.	V	AND THE SECOND PROPERTY OF THE PERSON OF THE		
11. MORIKAWA, Dee	V			
12. NISHIMOTO, Scott Y.				\
13. POEPOE, Mahina				
14. TAKENOUCHI, Jenna	V		993 July 2008/2004 C	
15. ALCOS III, David				
16. WARD, Gene				
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TOTAL (16)	14	0	0	2
The recommendation is: 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				