

STAND. COM. REP. NO. 986

Honolulu, Hawaii

MAR 03 2023

RE: S.B. No. 1099
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 S.B. No. 1099 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;
- (2) Authorizes the use of county surcharge revenues for affordable and workforce housing infrastructure in counties having a population of five hundred thousand or less; and
- (3) Authorizes, in all counties that adopt or have adopted a surcharge on state tax, the use of county surcharge revenues for housing infrastructure, including roadways, water, and sewer.

Your Committee received written comments in support of this measure from the Office of the Mayor of the County of Maui, two



members of the Maui County Council, Maui Hotel and Lodging Association, and Maui Chamber of Commerce.

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

Your Committee finds that this measure supports the development of affordable and workforce housing, which will allow skilled employees to remain in the State instead of leaving due to a lack of affordable housing options.

Your Committee has amended this measure by 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. 1099, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1099, S.D. 1.

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


DONOVAN M. DELA CRUZ, Chair



