

STAND. COM. REP. NO. 778

Honolulu, Hawaii

MAR 03 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

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,"

begs leave to report as follows:

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.

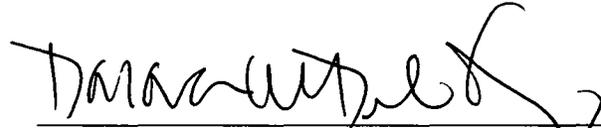
Your Committee has amended this measure by clarifying that any contributions that exceed the maximum deductible amount for a



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



