STAND. COM. REP. NO. **754** -24

Honolulu, Hawaii

MAR 01 , 2024

H.B. No. 2779 RE: 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. 2779 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to incrementally increase the amount of the income tax standard deduction for taxable years beginning after December 31, 2023, through taxable years beginning after December 31, 2033.

Your Committee received testimony in support of this measure from the Grassroot Institute of Hawaii and one individual. Your Committee received comments on this measure from the Office of the Governor; Department of Taxation; and Tax Foundation of Hawaii.

Your Committee finds that the State has the highest cost of living in the country at nearly twice the national average, which is hurting families and individuals. Your Committee believes that increasing the amount of the standard of deduction would provide much needed tax relief for Hawaii residents, especially those at lower and middle income levels.

Your Committee has amended this measure by:

- (1) Specifying that the incremental increases in the standard deduction begin for taxable years beginning after December 31, 2026, through taxable years beginning after December 31, 2033; and
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) 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. 2779, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2779, H.D. 1, and be placed on the calendar for Third Reading.

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

427De

KYLE T. YAMASHITA, Chair

State of Hawaii

House of Representatives
The Thirty-second Legislature

HSCR 754-24

Record of Votes of the Committee on Finance

Bill/Resolution No.: HY2779	Committee Referral:	Date 02	121/2024	
☐ The committee is reconsidering its previ	ious 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)				- 7 3 %
2. KITAGAWA, Lisa (VC)	✓			
3. AIU, Micah P.K.				
4. CHUN, Cory M.				
5. COCHRAN, Elle				
6. GARRETT, Andrew Takuya			:	
7. KAHALOA, Kirstin				
8. KILA, Darius K.	✓			
9. KOBAYASHI, Bertrand	V	计数据序模型		
10. LAMOSAO, Rachele F.				and to a second
11. MORIKAWA, Dee				
12. NISHIMOTO, Scott Y.				
13. POEPOE, Mahina				
14. TAKENOUCHI, Jenna				
15. ALCOS III, David				
16. WARD, Gene				
				:
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TOTAL (16)	15	D	5 O	1
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				