

Honolulu, Hawaii

APR 09, 2026

RE: S.B. No. 2600
S.D. 1
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Finance, to which was referred S.B. No. 2600, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE GENERAL FUND,"

begs leave to report as follows:

The purpose of this measure is to dispose of excess tax revenues pursuant to article VII, section 6, of the Hawaii State Constitution by:

- (1) Providing an income tax credit to taxpayers; and
- (2) Appropriating general revenues to make a deposit into the Other Post-Employment Benefits Trust Fund and Emergency and Budget Reserve Fund.

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

Your Committee finds that article VII, section 6, of the Hawaii State Constitution requires the Legislature to dispose of excess general fund revenues when specified conditions are met, including providing tax relief to taxpayers and strengthening the State's fiscal reserves and long-term liabilities. These constitutional conditions have been satisfied for two successive



fiscal years, necessitating a disposition of the excess revenues. This measure fulfills the constitutional responsibility by returning a portion of excess revenues to taxpayers while reinforcing the State's financial stability through deposits into reserve and post-employment benefit funds.

Your Committee has amended this measure by changing the effective date to July 1, 3000, to encourage further discussion.

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 S.B. No. 2600, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2600, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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



CHRIS TODD, Chair



