<u>H.B. NO. 1344</u>

A BILL FOR AN ACT

RELATING TO UNIFORM MAINTENANCE ALLOWANCE FOR ENLISTED PERSONNEL.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Section 121-41, Hawaii Revised Statutes, is
repealed.

3 ["\$121-41 Uniform maintenance allowance for enligted personnel. (a) Enlisted personnel of the army or air national 4 5 guard while participating in annual training or year round 6 training, when federal pay is authorized, or when ordered to state active duty in accordance with section 121-30, shall, 7 except when actually called or ordered into the service of the 8 United States by or under the authority of the President, 9 receive a uniform maintenance allowance of \$1.50 per day from 10 11 the State. 12 [(b)] Enlisted personnel of the army or air national quard who receive a uniform maintenance allowance from the state 13 14 department of defense, regardless of the source of the funds, 15 may designate a financial institution account into which the department of accounting and general services is authorized to 16 deposit the member's uniform maintenance allowance."] 17

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<u>#</u>.B. NO. <u>1344</u>

SECTION 2. Statutory material to be repealed is bracketed 1 and stricken. 2 This Act shall take effect upon its approval. SECTION 3. 3 4 dun 13mg INTRODUCED BY: 5 BY REQUEST 6 JAN 2 2 2007

JUSTIFICATION SHEET

DEPARTMENT: Defense

TITLE: A BILL FOR AN ACT RELATING TO UNIFORM MAINTENANCE ALLOWANCE FOR ENLISTED PERSONNEL.

PURPOSE: To eliminate the Uniform Maintenance Allowance of \$1.50 per day for the performance of annual military training.

MEANS: Repeal section 121-41, Hawaii Revised Statutes.

JUSTIFICATION: Act 197, Session Laws of Hawaii 2004, provided a tax exclusion from gross income, adjusted gross income, and taxable income, the income equivalent to pay received for forty-eight drills and fifteen days of annual training received by members of the National Guard and Reserves. The tax exclusion will increase incrementally for five years and will be equivalent to the drill and annual training pay received by a Sergeant, E-5 after eight years of service. This tax exclusion more than compensates the amount received for the uniform maintenance allowance. The uniform allowance was provided to cover dry-cleaning costs for uniforms. The military is transitioning their field uniforms to wash and wear, and the need for this small allowance no longer exists.

Impact on the public: None.

Impact on the department and other agencies: None.

GENERAL FUND: \$85,000 revenue gain

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: DEF 110.

OTHER AFFECTED AGENCIES: Nor

None.

EFFECTIVE DATE:

Upon approval.

DEF-06(07)

H.B. 13414