

STAND. COM. REP. NO. 872-08

Honolulu, Hawaii

Feb 29, 2008

RE: H.B. No. 2099
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2099 entitled:

"A BILL FOR AN ACT RELATING TO INCOME TAX CREDIT,"

begs leave to report as follows:

The purpose of this bill is to provide a tax credit to taxpayers as required by article VII, section 6, of the State Constitution.

The Department of Taxation offered comments.

Your Committee has amended this bill by:

- (1) Providing a \$1 tax credit; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Article VII, section 6, of the State Constitution requires the Legislature to provide for a tax credit or tax refund whenever the general fund balance at the close of each of two successive fiscal years exceeds five percent of general fund revenues for each of the two fiscal years.



This bill meets that constitutional requirement by allowing each taxpayer a \$1 credit multiplied by the number of qualified exemptions a taxpayer is entitled to claim. The credit will be deductible from the 2008 taxable year.

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. 2099, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2099, H.D. 1, and be placed on the calendar for Third Reading.

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


MARCUS R. OSHIRO, Chair



