

Honolulu, Hawaii

Feb 5, 2008

RE: H.B. No. 2458  
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 Higher Education, to which was referred  
H.B. No. 2458 entitled:

"A BILL FOR AN ACT RELATING TO COLLEGE SAVINGS PROGRAMS,"

begs leave to report as follows:

The purpose of this bill is to increase the participation of  
Hawaii taxpayers in the State's college savings program and to  
increase the program's assets to enable the State to obtain a  
lower program management fee, by providing a state income tax  
deduction for contributions made to the program in taxable years  
beginning after December 31, 2007.

The Department of Taxation and a concerned individual  
testified in support of this bill. The Department of Budget and  
Finance supported the intent of this measure. The Tax Foundation  
of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Specifying that married couples filing separate returns  
may claim an annual deduction of \$10,000, rather than  
\$20,000, from gross income for contributions to a  
college account in the College Savings Program Trust  
Fund; and
- (2) Changing the effective date to July 1, 2020, to  
encourage further discussion; and



- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2458, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2458, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Higher Education,

  
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JERRY L. CHANG, Chair



