

STAND. COM. REP. NO.

1319

Honolulu, Hawaii

MAR 23 2007

RE: H.B. No. 1799
H.D. 1
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Economic Development and Taxation, to which was referred H.B. No. 1799, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to provide for a state earned income tax credit (EITC).

Testimony in support of this measure was received from the Department of Taxation; Hawai'i Alliance for Community Based Economic Development; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and 3Point. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee received a statement of fiscal impact from the Department of Taxation (Department) that the legislation would result in a revenue loss of approximately \$24,000,000 annually, assuming twenty per cent conformity to the federal EITC. The Department further noted that this estimate was based on a weighted sample of 2004 individual returns.

Your Committee previously heard and approved S.B. No. 1493, S.D. 1, Relating to Increasing the Standard Deduction for Individual Income Taxation.

Your Committee has amended this measure by deleting the contents of the bill and replacing its contents with the language

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from S.B. No. 1493, S.D. 1. As amended, this measure increases the Hawaii standard deduction rates by unspecified amounts.

Your Committee notes that this measure has an effective date of July 1, 2025, for the purposes of continued discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1799, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1799, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Taxation,


CAROL FUKUNAGA, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Economic Development and Taxation
EDT

Bill / Resolution No.:* HB 1799 HD1	Committee Referral: EDT, WAM	Date: 3/22/07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
FUKUNAGA, Carol (C)	✓			
ESPERO, Will (VC)	✓			
ENGLISH, J. Kalani	✓			
IGE, David Y.	✓			
SLOM, Sam	✓			
TOTAL	5			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: Will Espero				
Distribution:	Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	

*Only one measure per Record of Votes