

Honolulu, Hawaii

MAR 14 2008

RE: H.B. No. 2456
H.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred
H.B. No. 2456, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is exclude from gross income, adjusted gross income, and taxable income, the value of health insurance and other direct or indirect benefits provided by an employer to an employee, in excess of what the employer provides or would provide to single employees, when such benefits are provided to the employee due to the employee's status as a reciprocal beneficiary or a domestic partner.

Your Committee received testimony in support of this measure from the Hawai'i Civil Rights Commission and one individual. Comments were received from the Department of Taxation and Tax Foundation of Hawaii.

Currently, neither the State nor federal tax laws recognize reciprocal beneficiaries or domestic partners for income tax purposes. As a result, employer-provided health insurance for an employee's reciprocal beneficiary or domestic partner is treated as taxable income. This measure makes such benefits provided by an employer for an employee's reciprocal beneficiary or domestic partner excludable from state income tax law.

Your Committee finds that this measure extends to reciprocal beneficiaries and domestic partners the same income tax exclusion



as provided to married couples for employer-provided health benefits.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2456, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Economic Development and Taxation.


Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,


BRIAN T. TANIGUCHI, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2456 HD2	JDL, EDT, WAM	3-13-08		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye /	Aye (WR)	Nay	Excused
TANIGUCHI, BRIAN T. (C)	✓			
HEE, Clayton (VC)	✓			✓
GABBARD, Mike	✓			
KOKUBUN, Russell S.	✓			✓
NISHIHARA, Clarence K.			✓	
SLOM, Sam			✓	
TOTAL	3	-	1	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes