

STAND. COM. REP. NO.

750

Honolulu, Hawaii

MAR 02 2007

RE: S.B. No. 148
S.D. 2

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 148, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to satisfy the Hawaii State constitutional mandate requiring taxpayers to receive a tax credit or refund when the balance of the state general fund exceeds five per cent of general revenues for each of two successive fiscal years.

The measure accomplishes this purpose by providing a tax credit for each resident individual taxpayer, who files an individual income tax return for the taxable year 2007, and who is not claimed or is not eligible to be claimed as a dependent by another.

Your Committee received written comments in support of this measure from the Department of Taxation. The Tax Foundation of Hawaii submitted written comments on this measure.

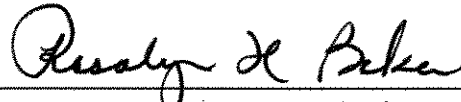
Your Committee finds that providing a tax credit, as opposed to a refund, is the most efficient mechanism for satisfying the mandate of article VII, section 6 of the Constitution of the State of Hawaii.



Your Committee amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 148, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 148, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



ROSALYN H. BAKER, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 148 SD1	Committee Referral: EDT, WAM	Date: 2-23-07		
<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
BAKER, Rosalyn H. (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
HOOSER, Gary L.	/			
KIM, Donna Mercado	/			
MENOR, Ron				/
TOKUDA, Jill N.	/			
HEMMINGS, Fred				/
WHALEN, Paul	/			
TOTAL	9	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:	Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	

*Only one measure per Record of Votes