

STAND. COM. REP. NO. 1717 -08

Honolulu, Hawaii
A-104 , 2008

RE: S.B. No. 2153
S.D. 1
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 S.B. No. 2153, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to implement the provisions of Article VII, section 6, of the Hawaii Constitution for a tax refund or tax credit when the state general fund balance exceeds five percent of the general fund revenues for two successive fiscal years, by providing a one-time income tax credit in an amount set by a table according to the taxpayer's filing status and adjusted gross income amount.

The Department of Taxation and Tax Foundation of Hawaii provided comments.

Upon careful consideration, your Committee has amended this bill by replacing its contents with the language of House Bill No. 2099, H.D. 1, which:

- (1) Excludes from the tax credit, taxpayers who are claimed or otherwise eligible to be claimed as a dependent by another taxpayer for federal or Hawaii state individual income tax purposes;

SB2153 HD1 HSCR FIN HMS 2008-3373



- (2) Provides a tax credit amount of \$1 per resident individual taxpayer, multiplied by the number of qualified exemptions to which the taxpayer is entitled;
- (3) Specifically provides that a resident individual who has no income or no income taxable under Chapter 235, Hawaii Revised Statutes, and who is not claimed or is not otherwise eligible to be claimed as a dependent by a taxpayer for federal or Hawaii state individual income tax purposes, may claim the tax credit; and
- (4) Specifically provides that multiple exemptions shall not be granted because of age or deficiencies in vision, hearing, or other disability.

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 S.B. No. 2153, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2153, S.D. 1, 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



