

Honolulu, Hawaii  
A-24, 2008

RE: S.B. No. 2660  
S.D. 3  
H.D. 2

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. 2660, S.D. 3, H.D. 1, 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 any qualifying college savings program by providing a state income tax deduction for contributions made to the program.

The Securities Industry and Financial Markets Association testified in support of this bill. The Department of Taxation, Department of Budget and Finance, Tax Foundation of Hawaii, Upromise Investments, Inc., and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Limiting the tax deduction only to contributions made to the State's college savings program, rather than to those of other states;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and

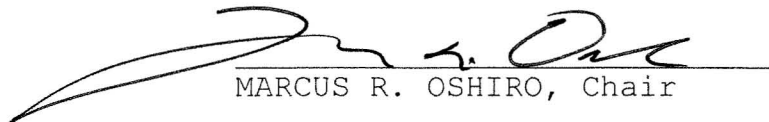


- (3) Making technical, nonsubstantive amendments for clarity and style.

Your Committee finds that although this bill, as amended, allows an income tax deduction for contributions only to Hawaii's college savings program, the importance of a college education to the graduate's family and Hawaii's future necessitates serious consideration of extending the tax deduction to contributions to other state programs on a reciprocal basis.

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. 2660, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2660, S.D. 3, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,

  
MARCUS R. OSHIRO, Chair



