

STAND. COM. REP. NO.

232

Honolulu, Hawaii

FEB 13 2007

RE: S.B. No. 1268

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

Madam:

Your Committee on Education, to which was referred S.B. No. 1268 entitled:

"A BILL FOR AN ACT RELATING TO A COLLEGE SAVINGS PROGRAM TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to increase the number of local residents attending institutions of higher education.

Specifically, this measure establishes a college savings account program that provides a sliding-scale tax credit for contributions made to college savings accounts, the maximum of which would be \$500.

Testimony in support of this measure was submitted by the Department of Taxation, the University of Hawai'i, Hawaii Association of Independent Schools, and one individual.

Your Committee received a fiscal impact statement from the Department of Taxation that this measure, if passed, would result in a revenue loss to the State of approximately \$6.3 million dollars per year, assuming the maximum tax credit of \$500. No methodology was provided by the Department of Taxation.

Your Committee finds that a college savings account tax credit will provide an additional incentive to encourage Hawaii taxpayers to take advantage of Hawaii's TuitionEDGE 529 program and, thereby, lower the cost of administering the fund and increase the participants' savings for college tuition.

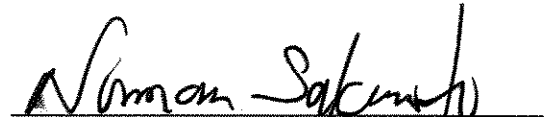
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Your Committee further finds that a college savings account program tax credit for Hawaii residents is an important state investment, given our high cost of living, and can contribute to an increase of college graduates in Hawaii, including those in the socioeconomic and ethnically underrepresented groups.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1268 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 Education,




NORMAN SAKAMOTO, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Education
EDU

Bill / Resolution No.:* <i>SB 1268</i>	Committee Referral: <i>EDU, ED, WAPA</i>	Date: <i>02/07/07</i>		
<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
SAKAMOTO, Norman (C)	X			
TOKUDA, Jill N. (VC)	X			
CHUN OAKLAND, Suzanne	X			
HEE, Clayton				X
NISHIHARA, Clarence K.	X			
TANIGUCHI, Brian T.				X
GABBARD, Mike	X			
TOTAL	<i>5</i>			<i>2</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes