

STAND. COM. REP. NO.

2767

Honolulu, Hawaii

FEB 29 2008

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

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2153 entitled:

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

begs leave to report as follows:

The purpose of this measure is to provide a one-time mandatory income tax credit pursuant to article VII, section 6, of the Hawaii State Constitution.

Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that the State is required to issue a mandatory tax credit when the balance of the general fund at the close of each of two successive fiscal years has exceeded five per cent of the general fund revenues for both fiscal years. The tax credit amount under this measure follows a sliding scale based on the adjusted gross income of a taxpayer.

Your Committee has amended the measure by changing the effective date to July 1, 2050 to promote further discussion on this matter.

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

SB2153 SD1 SSCR LRB 08-2382.doc



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


ROSALYN H. BAKER, Chair



