

STAND. COM. REP. NO.

82

Honolulu, Hawaii

FEB 08 2007

RE: S.B. No. 809
S.D. 1

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

Madam:

Your Committee on Intergovernmental and Military Affairs, to which was referred S.B. No. 809 entitled:

"A BILL FOR AN ACT RELATING TO A HAWAII MILITARY FAMILY RELIEF SPECIAL FUND,"

begs leave to report as follows:

The purpose of this measure is to establish the Hawaii Reserve Military Family Relief Special Fund in order to provide emergency economic relief to families of deployed members of the Hawaii National Guard and Federal Reserve members and create an income tax check-off to fund it.

Testimony in support of the measure was submitted by the Department of Defense and the Chamber of Commerce of Hawaii. Testimony in opposition to the measure was submitted by the Department of Budget and Finance. Comments were submitted by the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that members of the Hawaii National Guard and Federal Reserve units and their families are faced with numerous challenges when members are activated and deployed to hostile and hazardous combat and peacekeeping zones. All too often, members and their families face unexpected emergencies and the need for outside financial assistance is essential to their well-being. Establishment of the Hawaii Reserve Military Family Relief Special fund provides members and their families with a source for this assistance.



Your Committee finds that delaying the establishment of the Hawaii Reserve Military Family Relief Special Fund to apply to taxable years beginning after December 31, 2010, would provide the Department of Taxation adequate time to add a check-off provision to the income tax return form. As such, your Committee has amended the bill to provide for this date.

Your Committee further finds that the amendments made to section 235-102.5, Hawaii Revised Statutes, separates certain language contained in the existing subsection (d) and establishes it as a new subsection (f). Your Committee believes that the separation of this language was inadvertent, since the separated language is vital to the operation of subsection (d). In light of this belief, your Committee has amended the measure by reinstating subsection (d) as it currently exists.

Your Committee received a fiscal impact statement from the Department of Taxation that this check-off would generate approximately \$100,000 to \$250,000 annually. No methodology for calculating the amount was furnished.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 809, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 809, S.D. 1, and be referred to the Committee on Economic Development and Taxation.


Respectfully submitted on
behalf of the members of the
Committee on Intergovernmental
and Military Affairs,


LORRAINE R. INOUE, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Intergovernmental and Military Affairs
IGM

Bill / Resolution No.:* SB 809	Committee Referral: IGM, EDT, WAM	Date: 2/5/07		
<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
INOUYE, Lorraine R. (C)	/			
TSUTSUI, Shan S. (VC)	/			
HEMMINGS, Fred				/
TOTAL	2			1
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