

Honolulu, Hawaii

Feb 26, 2010

RE: H.B. No. 2872  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2872 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to temporarily:

- (1) Increase the tax rate on banks and other financial corporations;
- (2) Repeal the requirement that \$2,000,000 of the tax revenues from banks and other financial corporations be deposited into the Compliance Resolution Fund; and
- (3) Authorize the commissioner of financial institutions to expedite the imposition or increase of fees on banks and other financial corporations.

The Department of Commerce and Consumer Affairs, Hawaii Financial Services Association, and Hawaii Bankers Association opposed this bill. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

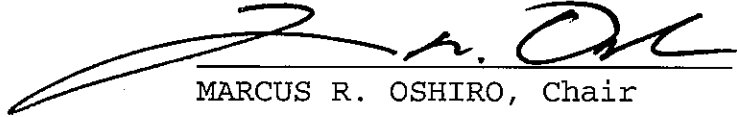
- (1) Deleting all provisions for tax rate increases on banks and other financial corporations; and



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

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 H.B. No. 2872, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2872, 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



