

STAND. COM. REP. NO.

438

Honolulu, Hawaii

FEB 19, 2009

RE: H.B. No. 37

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 37 entitled:

"A BILL FOR AN ACT PROPOSING AN AMENDMENT TO ARTICLE VII, SECTION 6, OF THE HAWAII CONSTITUTION, TO REPEAL THE REQUIREMENT THAT A TAX REFUND OR TAX CREDIT BE PROVIDED TO TAXPAYERS WHENEVER THE GENERAL FUND BALANCE AT THE CLOSE OF TWO SUCCESSIVE FISCAL YEARS EXCEEDS FIVE PERCENT OF GENERAL FUND REVENUES FOR EACH OF THE TWO FISCAL YEARS,"

begs leave to report as follows:

The purpose of this bill is to propose a constitutional amendment to Article VII, Section 6, of the Hawaii Constitution, to repeal the requirement that a tax refund or tax credit be provided to taxpayers whenever the general fund balance at the close of two successive fiscal years exceeds five percent of general fund revenues for each of the two fiscal years.

The Department of Budget and Finance and Department of Taxation testified in opposition to this bill. The Tax Foundation of Hawaii offered comments.

Your Committee notes that many possible mechanisms must be examined by the Legislature to address the efficiency of financing state government. These include the mechanism specified in this measure as well as other measures currently before the Legislature that propose to deposit excess funds into the emergency and budget reserve fund. Your Committee respectfully requests that the Committee on Finance take these measures into consideration.

HB37 HSCR JUD HMS 2009-2201



As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 37 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

  
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JON RIKI KARAMATSU, Chair



