

STAND. COM. REP. NO.

2531

Honolulu, Hawaii

FEB 26 2010

RE: S.B. No. 2874  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2874 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to allow taxpayers to contribute a sum up to the amount of their income tax refund to the school-level minor repairs or the libraries special fund.

Your Committee received comments in opposition to this measure from the Department of Taxation. The Tax Foundation of Hawaii submitted comments. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will help address minor school repairs and library services by allowing individual income tax filers to write-in an amount greater than the amount currently allowed by law. Your Committee is concerned, however, that the costs for revising income tax forms to allow this feature could outweigh the benefits of the additional revenues. Your Committee believes that the costs and benefits of this measure should be examined further to determine whether this method of donating tax refunds is warranted.



Accordingly, your Committee has amended this measure by:

- (1) Clarifying the distinction between the proposed write-in amount and the specific \$2 check-off amount currently allowed by law; and
- (2) Changing the effective date to July 1, 2099, to facilitate further discussion on this measure.

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. 2874, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2874, S.D. 1.


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

  
DONNA MERCADO KIM, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2874	EDH, WAM	2-24-10		
<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
KIM, Donna Mercado (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
GALUTERIA, Brickwood	/			
HEE, Clayton	/			
HOOSER, Gary L.	/			
KIDANI, Michelle N.	/			
KOKUBUN, Russell S.	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred				/
<b>TOTAL</b>	11	6	6	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes