

Honolulu, Hawaii

FEB 12 2010

RE: S.B. No. 2874

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

Madam:

Your Committee on Education and Housing, 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 write in an amount higher than \$2 that is equal or less than the individual's income tax refund amount for deposit into the school-level minor repairs and maintenance special fund.

This measure also allows taxpayers to write in an amount higher than \$2 that is equal or less than the individual's income tax refund amount for deposit into the libraries special fund.

Your Committee received testimony in support of this measure from the Department of Education and the Hawaii State Public Library System. Testimony in opposition was received from the Department of Taxation. Comments were received from the Tax Foundation of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

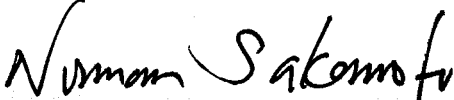
Current law allows a \$2 designation from any refund of income taxes for deposit into the school-level minor repairs and maintenance special fund and a \$2 designation from any refund of income taxes for deposit into the libraries special fund. This measure is intended to significantly increase the amount deposited into the school-level minor repairs and maintenance special fund and the libraries special fund.



Your Committee finds that this measure would ease the budgetary burden of the Department of Education by allowing taxpayers to assist in financing various projects in a direct and meaningful way. Your Committee believes that every available opportunity should be considered with regard to the shared effort to improve education.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2874 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Education and
Housing,



NORMAN SAKAMOTO, Chair



