

SB 1127

EDT



STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
P.O. BOX 119
HONOLULU, HAWAII 96810-0119

TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEE
ON
ECONOMIC DEVELOPMENT AND TECHNOLOGY
ON
February 9, 2009

S.B. 1127

RELATING TO STATE FOUNDATION ON CULTURE AND THE ARTS

Chair Fukunaga and members of the Committee, thank you for the opportunity to testify on S.B. 1127.

The Department of Accounting and General Services (DAGS) opposes this bill, which would create a check-off on tax returns for the State Foundation on Culture and the Arts (SFCA). The §235-102.5 income check-off feature of the State Income Tax system currently has optional check-offs for the Hawaii Election Campaign Fund, School-Level Minor Repairs and Maintenance Special Fund, Libraries Special Fund, Hawaii Children's Trust Fund, Domestic Violence and Sexual Assault Special Fund, and Spouse and Child Abuse Special Account.

There are costs required to make changes to the tax computer systems and income tax forms. In addition, the generation of revenues by a new check-off such as this would be typically small, more so because of the current financial stresses on personal incomes, and would likely take away from check-off contributions to the already listed, worthy

organizations. DAGS believes that the benefits that may result from this bill do not clearly support its implementation.

Thank you for the opportunity to testify on this matter.

TESTIMONY OF
LORI V. THOMAS

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT
AND TECHNOLOGY

ON

February 9, 2009

S. B. 1127

RELATING TO THE STATE FOUNDATION ON CULTURE AND
THE ARTS

Chair Fukunaga and members of the committee, I am Lori Thomas, chairperson on the Hawaii State Foundation on Culture and the Arts and I am testifying today as an individual. Thank you for the opportunity to testify before you on S. B. 1127, which I support.

The proposed legislation establishes a state income-tax check-off for the SFCA.

In FY 2004, the SFCA commissioned a study of alternative sources of funding to complement its General and Federal fund appropriations. Establishing a tax credit was one of the proposed ways in which to increase revenues. While it was not an alternative selected for further study, due in part to the uncertainty of public support, we do think this is a viable and constructive solution to ensure sustainability. Therefore, I am in favor of moving forward with this measure and appreciate wholeheartedly the spirit in which it was introduced.

Thank you for the opportunity to testify on this matter.