

NEIL ABERCROMBIE  
GOVERNOR

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FREDERICK D. PABLO  
INTERIM DIRECTOR OF TAXATION

RANDOLF L. M. BALDEMOR  
DEPUTY DIRECTOR

**LATE TESTIMONY**

**HOUSE COMMITTEE ON FINANCE**

**TESTIMONY OF THE DEPARTMENT OF TAXATION  
REGARDING HB 793  
RELATING TO TAXATION**

**TESTIFIER:** FREDERICK D. PABLO, INTERIM DIRECTOR OF  
TAXATION (OR DESIGNEE)  
**COMMITTEE:** FIN  
**DATE:** FEBRUARY 15, 2011  
**TIME:** 3:30PM  
**POSITION:** SUPPORT

This measure delays implementation of the standard deduction and personal exemption increases of Act 60, Session Laws of Hawaii 2009 which are scheduled to take effect beginning this tax year. The measure also makes them permanent as the increases were set to sunset in tax years after December 31, 2015.

The Department of Taxation (Department) **supports** this measure.

**MODEST INCREASES**— The Department notes that Act 60, Session Laws of Hawaii 2009 increased the standard deduction and exemption amounts by 10%. Compared to the federal standard deduction and exemption amounts, the State amounts are extremely low, even after the scheduled increases.

**REVENUE IMPACT**—This measure will result in the following approximate revenue gains and losses:

\$ \_\_\_\_\_ in FY 2011;  
\$ 11.5 for FY 2012; *gain*  
\$ 11.5 for FY 2013; *gain*

Department of Taxation Testimony

HB 793

February 15, 2011

Page 2 of 2

\$ 11.5 for FY 2014;  
\$ 11.5 for FY 2015; and  
\$ 11.5 for FY 2016.