

STAND. COM. REP. NO. **2526**

Honolulu, Hawaii

MAR 02 2012

RE: S.B. No. 2544
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2544 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to repeal the temporary limit on the amount of itemized deductions that may be claimed for the purposes of state income tax by certain taxpayers, as established by Act 97, Session Laws of Hawaii 2011.

Testimony in support of this measure was submitted by the University of Hawaii Foundation; Child and Family Services; Genoa Keawe Foundation Hawaii Music and Dance Hall of Fame, Papakolea Community; National Tropical Botanical Garden; Catholic Charities Hawaii; Agricultural Leadership Foundation of Hawaii; Hawaii Food Bank; Lanakila Pacific; Conservation Council of Hawaii; The Arc in Hawaii; Honolulu Museum of Art; Ola Hawaii 2020; and fifty-eight individuals.

Testimony in opposition of this measure was submitted by four individuals. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that charitable donations are an important source of funding for nonprofit and charitable organizations in Hawaii. Your Committee also finds that the majority of itemized deductions that are claimed by taxpayers are for donations to charities and nonprofit organizations. Your Committee further finds that eliminating the cap on itemized

SB2544 SD1 SSCR LRB 12-1886.doc




deductions will provide an additional incentive for persons to make donations to charitable and nonprofit organizations in the State.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on the 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. 2544, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2544, S.D. 1, and be placed on the calendar for Third Reading.

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




DAVID Y. IGE, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
SB 2544	WAM	2-29-12
<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	
IGE, David Y. (C)	✓	
KIDANI, Michelle N. (VC)	✓	
CHUN OAKLAND, Suzanne	✓	
DELA CRUZ, Donovan M.	✓	
ENGLISH, J. Kalani	✓	
ESPERO, Will	✓	
FUKUNAGA, Carol	✓	
KIM, Donna Mercado		✓
KAHELE, Gilbert	✓	
KOUCHI, Ronald D.	✓	
RYAN, Pohai	✓	
TOKUDA, Jill N.	✓	
WAKAI, Glenn	✓	
SLOM, Sam	✓	
TOTAL	13	0
0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
Distribution:		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency
		Goldenrod Committee File Copy

*Only one measure per Record of Votes