

STAND. COM. REP. NO.

1386

Honolulu, Hawaii

APR 05 2013

RE: H.B. No. 1298
H.D. 1
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1298, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to establish an income tax credit for an employer that hires an individual with a disability.

The tax credit is equal to fifty per cent of the individual's qualified wages for the first six months that the individual is employed.

Your Committee received written comments in support of this measure from the Disability and Communication Access Board and the State Council on Developmental Disabilities.

Your Committee received written comments on this measure from the Department of Taxation.

Your Committee finds that the unemployment rate of people with disabilities in Hawaii is higher than the national average. Your Committee also finds that providing an incentive to hire individuals with disabilities facilitates the economic self-sufficiency of such individuals, allowing them to contribute to their communities as taxpaying citizens, establish relationships, and engage in social networking.

HB1298 SD2 SSCR LRB 13-2498.doc

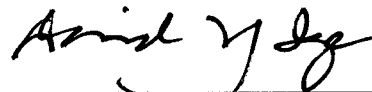


Your Committee has amended this measure by:

- (1) Requiring that the disabling impairment of an individual with a disability for which a tax credit is claimed be certified by a licensed physician;
- (2) Providing that the tax credit shall not be allowed for the hiring of an individual with a disability who was previously employed by the taxpayer;
- (3) Clarifying that the tax credit may be claimed for each individual with a disability that an employer hires;
- (4) Clarifying that the cap amount limits the amount of the tax credit that an employer may claim for each individual with a disability hired;
- (5) Clarifying that claims for the tax credit must be filed on or before the end of the twelfth month following the taxable year for which the credit may be claimed; and
- (6) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

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 H.B. No. 1298, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1298, H.D. 1, S.D. 2.

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



DAVID Y. IGE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1298 HD1 SD1	HMS, WAM	3-28-13		
<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	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.				✓
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam	✓			
TOTAL	11	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes