

Honolulu, Hawaii

FEB 07 2013

RE: S.B. No. 791  
S.D. 1

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

Madam:

Your Committee on Public Safety, Intergovernmental and  
Military Affairs, to which was referred S.B. No. 791 entitled:

"A BILL FOR AN ACT RELATING TO TAXABLE INCOME EXCLUSION,"

begs leave to report as follows:

The purpose and intent of this measure is to provide an  
income tax exemption for military service members on active duty  
who are serving outside the State pursuant to military orders.

Your Committee received testimony in support of this measure  
from the Department of Taxation, Oahu Veterans Center, and three  
individuals. Your Committee received comments on this measure  
from the Department of the Attorney General and Tax Foundation of  
Hawaii.

Your Committee finds that this measure helps to alleviate the  
financial hardships encountered by service members and their  
dependents when the service members are called to serve their  
country, often far away from their homes and families.

Your Committee has amended this measure by:


- (1) Deleting the word "resident" so that the measure treats  
resident and non-resident service members the same,  
thereby avoiding a possible constitutional challenge;  
and



- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 791, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 791, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Public Safety,  
Intergovernmental and Military  
Affairs,



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WILL ESPERO, Chair



