
A BILL FOR AN ACT

RELATING TO FISCAL RESPONSIBILITY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the 2013 tax review
2 commission concluded that a comprehensive review of Hawaii's tax
3 structure was necessary to determine how the structure fared
4 during the recent recession and whether it was adequate to meet
5 the needs of the twenty-first century.

6 One recommendation of the tax review commission was to
7 establish a commission similar to the federal government's
8 national commission on fiscal responsibility and reform, also
9 known as the Simpson-Bowles commission, with authority to review
10 and make recommendations on expenditures and revenue
11 enhancement.

12 The tax review commission noted that the tax burden on
13 Hawaii's taxpayers would be severe if the approach was solely to
14 enhance revenue. The expenditure component, therefore, must be
15 part of a solution that promotes long-term financial stability
16 and prosperity for the State and its residents.



1 The purpose of this Act is to establish a commission with
2 authority to review and make recommendations on expenditures,
3 revenue enhancement, and tax reform.

4 SECTION 2. (a) There is established the state commission
5 on fiscal responsibility and reform within the department of
6 taxation for administrative purposes.

7 (b) The state commission on fiscal responsibility and
8 reform shall consist of the following members:

9 (1) Two members to be appointed by the governor;

10 (2) Two members of the senate, to be appointed by the
11 president of the senate; provided that one member so
12 appointed shall serve as co-chair of the commission;

13 (3) Two members of the house of representatives, to be
14 appointed by the speaker of the house of
15 representatives; provided that one member so appointed
16 shall serve as co-chair of the commission;

17 (4) The director of taxation or the director's designee;

18 (5) The director of finance or the director's designee;

19 (6) One representative from the Legal Aid Society of
20 Hawaii; and

21 (7) One representative from the Tax Foundation of Hawaii.

22 (c) The commission shall:



- 1 (1) Identify policies for the State to improve revenue
2 enhancement in the medium term and to achieve fiscal
3 security over the long term;
- 4 (2) Research and propose recommendations related to state
5 spending; and
- 6 (3) Identify steps needed to reform Hawaii's tax laws to
7 create a more balanced and progressive tax structure.
- 8 (d) Members of the commission shall serve without
9 compensation, but shall be reimbursed for necessary expenses,
10 including travel expenses, incurred in the performance of their
11 official duties.
- 12 (e) The commission shall submit a report of its findings
13 and recommendations to the legislature no later than twenty days
14 prior to the convening of the regular session of 2015. The
15 report shall require the approval of at least two-thirds of the
16 total commission members.
- 17 (f) The commission shall cease to exist on June 30, 2015.
- 18 SECTION 3. This Act shall take effect on July 1, 2030.



Report Title:

Commission on Fiscal Responsibility and Reform; Established

Description:

Establishes a commission within the department of taxation to review and make recommendations on expenditures, revenue enhancement, and tax reform. Effective July 1, 2030. (HB1525 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

