

STAND. COM. REP. NO.

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Honolulu, Hawaii

February 8, 2013

RE: H.B. No. 1368
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 1368 entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION,"

begs leave to report as follows:

The purpose of this measure is to increase the General Excise Tax and Use Tax for certain, specified services and commodities and to direct the deposit of 20 percent of such taxes to the Department of Education (DOE) for the operations of the DOE.

Parents for Public Schools Hawai'i and numerous individuals testified in support of this measure. The Department of Budget and Finance, and two individuals testified in opposition to this measure. The Department of Taxation and IMUAlliance offered comments.

Your Committee is cognizant that collective bargaining considerations between the State and unionized teacher organizations may relate to this measure. Your Committee notes that neither the DOE nor Hawaii State Teachers Association attended the hearing on this measure to answer important questions from Committee members. Yet, the pointed and passionate testimony of the individuals and teachers who testified on this measure demonstrates that this matter warrants further discussion.

HB1368 HD1 HSCR EDB HMS 2013-1839



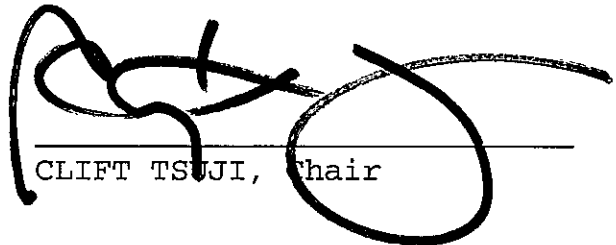
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Accordingly, your Committee has amended this measure by:

- (1) Inserting unspecified amounts in place of the specified tax increases;
- (2) Removing the language that directed 20 percent of the sum of tax revenue to the DOE; and
- (3) Changing its effective date to January 20, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1368, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1368, H.D. 1, and be referred to the Committee on Education.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business,



CLIFT TSUJI, Chair



