

Honolulu, Hawaii

February 28, 2014

RE: H.B. No. 1525
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1525 entitled:

"A BILL FOR AN ACT RELATING TO FISCAL RESPONSIBILITY,"

begs leave to report as follows:

The purpose of this measure is to promote long-term financial stability within Hawaii's tax structure through the establishment of a State Commission on Fiscal Responsibility and Reform. The Commission's goals include identifying revenue enhancement policies and proposing recommendations for the creation of a more balanced and progressive tax structure.

An individual testified in support of this measure. The Department of Budget and Finance, Department of Taxation, and Tax Foundation of Hawaii provided comments.


Your Committee has amended this measure by:

- (1) Adding the Director of Finance to the Commission's membership;
- (2) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1525, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1525, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



