

Honolulu, Hawaii
February 28 2014

RE: H.B. No. 1893
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. 1893 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to establish the American Red Cross Hawaii State Chapter special fund, the assets of which are to be transferred annually to the American Red Cross, Hawaii State Chapter.

The measure also:

- (1) Requires the Adjutant General to submit to the Legislature an annual report on the status of the special fund; and
- (2) Authorizes the designation of \$3 from state income tax refunds to be deposited into the special fund.

The American Red Cross, Hawaii State Chapter testified in support of the measure. The Department of Taxation testified in opposition to the measure. The Department of Budget and Finance and the Tax Foundation of Hawaii provided comments.

Your Committee finds that in-state response capacity and preparedness after a disaster are critical and can often be the difference between life and death. Your Committee also finds that

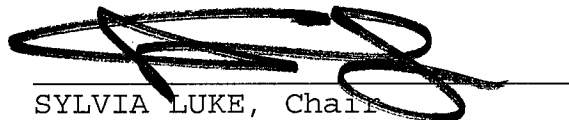


the American Red Cross recruits, trains, and coordinates volunteers to be on call to provide immediate relief to disaster victims. Your Committee believes that the funding provided by this measure will better enable the American Red Cross, Hawaii State Chapter, to respond to any disaster and prepare the community to be ready for emergencies to mitigate the loss of life and property.

Your Committee amended this measure by changing the effective date to July 1, 2030, to facilitate further discussion.

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. 1893, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1893, 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



