Honolulu, Hawaii

February 28, 2014

H.B. No. 2432 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. 2432 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to address inequity in taxation of retirement income by excluding income received from deferred compensation retirement plans from the state income tax for taxpayers who meet certain income requirements.

The Department of Taxation and the Tax Foundation of Hawaii submitted comments on the measure.

Your Committee finds that many seniors in Hawaii are struggling to make ends meet. Excluding income received from deferred compensation retirement plans from the state income tax would help to make taxation more equitable for taxpayers who meet certain income requirements.

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

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. 2432, as amended herein, and recommends that it pass Second

HB2432 HD1 HSCR LRB 14-1127.doc

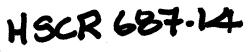


Reading in the form attached hereto as H.B. No. 2432, H.D. 1, and be placed on the calendar for Third Reading.

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



State of Hawaii House of Representatives The Twenty-seventh Legislature



Record of Votes of the Committee on Finance

HB 2432	FIN		Date: 2/12/2014		
θ The committee is reconsidering its previous decision on the measure.					
The recommendation is to: θ Pass, unamended (as is) Pass, with amendments (HD) θ Hold θ Pass short form bill with HD to recommit for future public hearing (recommit)					
FIN Members	Ayes	Ayes (WR)	Nays	Excused	
1. LUKE, Sylvia (C)					
2. NISHIMOTO, Scott Y. (VC)					
3. JOHANSON, Aaron Ling (VC)					
4. CULLEN, Ty J.K.					
5. HASHEM, Mark J.				44	
6. ING, Kaniela					
7. JORDAN, Jo					
8. KOBAYASHI, Bertrand					
9. LOWEN, Nicole E.					
10. MORIKAWA, Dee					
11. ONISHI, Richard H.K.					
12. TAKAYAMA, Gregg					
13. TOKIOKA, James Kunane					
14. WOODSON, Justin H.					
15. YAMASHITA, Kyle T.					
16. FUKUMOTO, Beth					
17. WARD, Gene					
TOTAL (17)	(6	Ì			
The recommendation is: Adopted B Not Adopted If joint referral, did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					