

Honolulu, Hawaii

APR 05 2013

RE: H.B. No. 694
H.D. 1
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 694, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to make adjustments to the state income tax law.

More specifically, this measure:

- (1) Repeals the temporary increase in income tax rates established by Act 60, Session Laws of Hawaii 2009, one year ahead of schedule by changing the sunset date of the increased tax rates from December 31, 2015, to December 31, 2014; and
- (2) Changes income tax rates for taxable years beginning after December 31, 2014.

Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that this measure requires further consideration, given future budgetary needs.

Your Committee has amended this measure by:



- (1) Accurately reflecting the amendments made to the text of Act 60, Session Laws of Hawaii 2009, by Act 97, Session Laws of Hawaii 2011; and
- (2) Clarifying that amendments made to section 235-51(a), (b), and (c), Hawaii Revised Statutes, by this measure shall not be repealed when that section is reenacted on December 31, 2014.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 694, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 694, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 694, HD1	Committee Referral: WAM	Date: 4-1-13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani				✓
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam	✓			
TOTAL	12	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
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*Only one measure per Record of Votes