

Honolulu, Hawaii

FEB 14 2014

RE: S.B. No. 2153
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2153 entitled:

"A BILL FOR AN ACT RELATING TO GOVERNMENT ACCOUNTABILITY,"

begs leave to report as follows:

The purpose and intent of this measure is to require an evaluation of all state tax expenditures.

More specifically, this measure:

- (1) Requires the Department of Taxation to provide an annual report on tax expenditures to the Legislature on or before September 15th of each odd-numbered year; and
- (2) Requires legislation establishing new tax expenditures to include certain specified provisions.

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

Your Committee finds that an evaluation of all state tax expenditures would better enable the Legislature to make fiscally-sound and effective spending decisions. Your Committee also finds that the Department of Taxation currently administers fourteen types of taxes and that a significant amount of time and resources will be required by the Department to implement the necessary changes to the current tax forms and the Department's computer



system to capture, analyze, and produce the data required by this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date from July 1, 2014, to July 1, 2017, to allow the Department of Taxation sufficient time to begin capturing and analyzing data for the purposes of this measure; and
- (2) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

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 S.B. No. 2153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2153, 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,

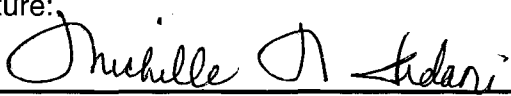


DAVID Y. IGE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2153	WAM	2-5-14		
<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	✓			
	11	0	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes