

Honolulu, Hawaii

March 5, 2015

RE: H.B. No. 1179

H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1179 entitled:

"A BILL FOR AN ACT RELATING TO INFLATION ADJUSTMENTS TO CHAPTER 235, HAWAII REVISED STATUTES,"

begs leave to report as follows:

The purpose of this measure is to require the Director of Taxation to annually adjust the standard deduction, income tax rate brackets, and personal exemption in response to increases in inflation until January 1, 2020. This measure also requires the Department of Taxation to report to the Legislature on the implementation and effectiveness of the adjustments made.

The ILWU Local 142, Laborers' International Union of North America Local 368, PHOCUSED, and Catholic Charities Hawaii submitted testimony in support of this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments on this measure.

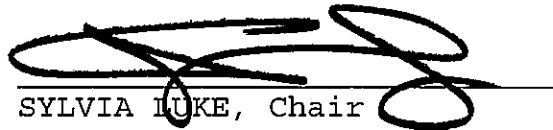
Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (2) 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. 1179, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1179, 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 DUKE, Chair



