

Honolulu, Hawaii

February 19, 2016

RE: H.B. No. 2519

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred
H.B. No. 2519 entitled:

"A BILL FOR AN ACT RELATING TO COLLEGE SAVINGS PROGRAM TAX
DEDUCTION,"

begs leave to report as follows:

The purpose of this measure is to help individuals save for a
higher education by providing annual income tax deductions for
contributions made to a Hawaii College Savings Program account.

The Department of Taxation, Department of Budget and Finance,
and Tax Foundation of Hawaii submitted comments.

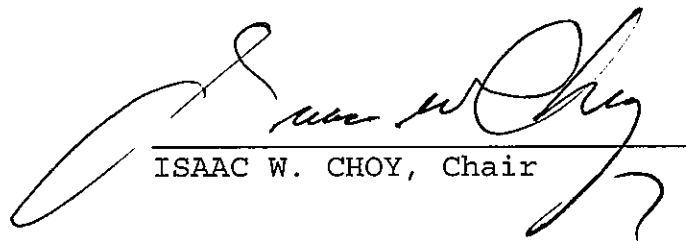
Your Committee has amended this measure by;

- (1) Clarifying that a taxpayer is limited to one deduction
for all contributions made to all Hawaii College Savings
Program accounts per year;
- (2) Clarifying the operation of the deduction-recapture
provision;
- (3) Imposing for all nonqualified withdrawals, an additional
penalty that is equal to ten percent of the amount of
the unqualified withdrawal; and
- (4) Changing its effective date to July 1, 2525, to
facilitate further discussion.



As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2519, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2519, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Higher Education,


ISAAC W. CHOY, Chair



