

Honolulu, Hawaii

March 5, 2015

RE: H.B. No. 886

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. 886
entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to reduce income inequality in
Hawaii by:

- (1) Setting new income tax credit amounts claimable by low-income households through the refundable food/excise and low-income household renters tax credits; and
- (2) Extending the high-earner income tax brackets established by Act 60, Session Laws of Hawaii 2009, as amended, by an additional five years.

The Hawaii Primary Care Association, Neighborhood Place of Puna, Americans for Democratic Action, Hawaii Government Employees Association, Hawaii Alliance for Community-Based Economic Development, ILWU Local 142, Hawaii Women's Coalition, and many individuals testified in support of this measure. Hawaii Association of Realtors and Chamber of Commerce Hawaii opposed this measure. The Department of Taxation, Tax Foundation of Hawaii, Hawaii Appleseed Center for Law and Economic Justice, IMU Alliance, Partners in Care, Catholic Charities Hawaii, League of Women Voters, Democratic Party of Hawaii, and PHOCUSED provided comments.

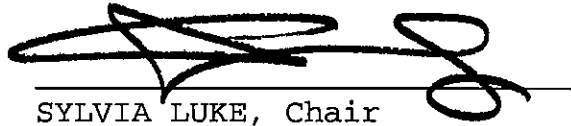


Your Committee has amended this measure by:

- (1) Increasing the low-income household renters tax credit from \$50 to \$75 per qualified exemption;
- (2) Setting new adjusted gross income thresholds for individuals qualifying for the low-income household renters tax credit; and
- (3) 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. 886, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 886, 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 LUKE, Chair



