

STAND. COM. REP. NO.

2086

Honolulu, Hawaii

FEB 11 2016

RE: S.B. No. 2922

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2922 entitled:

"A BILL FOR AN ACT RELATING TO THE TAX REVIEW COMMISSION,"

begs leave to report as follows:

The purpose and intent of this measure is to enable the Tax Review Commission to carry out its mandate of evaluating the State's tax structure and recommending revenue and tax policy.

Specifically, this measure:

- (1) Extends the reporting date of the 2015-2017 Tax Review Commission to thirty days prior to the convening of the regular legislative session of 2018; and
- (2) Appropriates \$250,000 for the Tax Review Commission for fiscal year 2016-2017.

Your Committee received written testimony in support of this measure from the Department of Taxation. The Tax Foundation of Hawaii submitted written comments on this measure.

Your Committee finds that a Tax Review Commission is appointed every five years to review the State's tax structure and make related recommendations to the Legislature thirty days prior to the second regular legislative session following the appointment of the Commission. The most recent Tax Review Commission was required to have been appointed by July 1, 2015, and to submit its report to the Legislature in December 2016,

SB2922 SSCR LRB 16-0917-1.doc



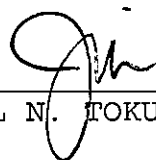
pursuant to section 232E-3, Hawaii Revised Statutes. However, as of December 31, 2015, none of the Tax Review Commission members had been appointed.

Your Committee finds that this bill effectively permits the appointment of a Tax Review Commission in 2016 instead of 2015. Your Committee further finds that the date by which the Tax Review Commission shall submit its report to the Legislature should be extended to thirty days prior to the convening of the Regular Session of 2018. Your Committee further finds that an appropriation of \$250,000 should be made for the Tax Review Commission to carry out its mandate of evaluating the State's tax structure and recommending revenue and tax policy.

Your Committee intends that this bill be passed by the Legislature and enacted into law as soon as possible. Concurrent with the movement of this bill through the legislative process during the 2016 Regular Session, your Committee urges the Governor to submit nominees to the Senate in anticipation of enactment of this bill. Your Committee intends that the Senate consider the nominees for advice and consent while this bill moves through the legislative process. This concurrent process, your Committee hopes, will result in the appointment of commission members before the adjournment sine die of the 2016 Regular Session.

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. 2922 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

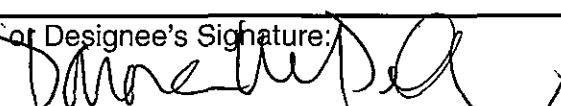


JILL N. TOKUDA, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 2922	Committee Referral: WAM	Date: 11/2/84 / 16		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood				/
HARIMOTO, Breene				/
INOUYE, Lorraine R.	/			
RIVIERE, Gil				/
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
SLOM, Sam	/			
TOTAL	8			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes