

STAND. COM. REP. NO.

3335

Honolulu, Hawaii

APR 06 2016

RE: S.R. No. 31

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.R. No. 31 entitled:

"SENATE RESOLUTION REQUESTING THE TAX REVIEW COMMISSION TO STUDY CONFORMITY OF STATE INCOME TAX LAW WITH THE INTERNAL REVENUE CODE AS IT RELATES TO THE STANDARD DEDUCTION AND PERSONAL EXEMPTION,"

begs leave to report as follows:

The purpose and intent of this measure is to request the Tax Review Commission to evaluate whether the standard deduction and personal exemption under chapter 235, Hawaii Revised Statutes, should be increased or conformed to the Internal Revenue Code.

Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that the amounts of the standard deduction and personal exemption for federal income taxation set forth in the Internal Revenue Code are higher than the corresponding amounts for state income taxation set forth in chapter 235, Hawaii Revised Statutes. Your Committee also finds that unlike the Internal Revenue Code, the Hawaii Revised Statutes do not provide for the automatic adjustment of the standard deduction and personal exemption for inflation.

Your Committee notes that pursuant to article VII, section 3, of the state constitution, the Tax Review Commission has the duty to evaluate the State's tax structure and recommend tax policy. Your Committee therefore believes that it is both appropriate and

SR31 SSCR LRB 16-1870.doc



necessary for the Tax Review Commission to evaluate whether the standard deduction and personal exemption under chapter 235, Hawaii Revised Statutes, should be increased or conformed to the Internal Revenue Code.

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 concurs with the intent and purpose of S.R. No. 31 and recommends its adoption.

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

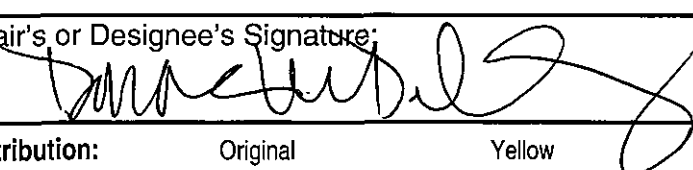


JILL N. TOKUDA, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

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|--|---------------------|----------|-----|----------|
| Bill / Resolution No.:* | Committee Referral: | Date: | | |
| SR 31 | WAM | 3/23/16 | | |
| <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 | | | | / |
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| TOTAL | 9 | | | 2 |
| 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