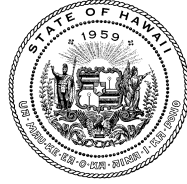


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To: The Honorable Jill N. Tokuda, Chair  
and Members of the Senate Committee on Ways and Means

Date: Wednesday, March 23, 2016

Time: 9:15 A.M.

Place: Conference Room 211, State Capitol

From: Maria E. Zielinski, Director  
Department of Taxation

Re: S.C.R. No. 58/S.R. No. 30, Requesting the Tax Review Commission to Evaluate Income Tax Credits, Exclusion, and Deductions.

The Department of Taxation (Department) appreciates the intent of S.C.R. No. 58/S.R. No. 30, and offers the following comments for your consideration.

S.C.R. No. 58/S.R. No. 30 requests the Tax Review Commission (TRC) to conduct or commission a study evaluating all or certain income tax credits, exclusions, and deductions. The resolution notes that various credits, exclusions, and deductions under the income tax law represent major components of the State's tax structure and tax policy, and that evaluation to determine their tax expenditures, benefits, merit, and necessity is needed. Tax credits, exclusions, and deductions reduce revenue collected by the State.

The TRC is a commission which is administratively attached to the Department. As such the Department will provide support to the TRC to the extent that resources permit.

Thank you for the opportunity to provide comments.