

Honolulu, Hawaii

April 28, 2017

RE: H.B. No. 209
H.D. 1
S.D. 1
C.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 209, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to amend the State's income tax law by:

- (1) Establishing a state earned income tax credit based on a percentage of the federal earned income tax credit;
- (2) Changing income tax rates for taxable years after December 31, 2016;
- (3) Repealing the sunset date for amendments made to the refundable food/excise tax credit by Act 223, Session Laws of Hawaii 2015; and



- (4) Appropriating funds to the Department of Taxation for certain tax preparation assistance outreach programs.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the state earned income tax credit shall:
 - (A) Be 20 percent of the federal earned income tax credit;
 - (B) Be nonrefundable; and
 - (C) Not apply to taxable years beginning after December 31, 2022;
- (2) Defining "qualifying individual taxpayer;"
- (3) Clarifying the disallowance period for the state earned income tax credit;
- (4) Changing the income tax rates for taxable years beginning after December 31, 2017;
- (5) Removing the appropriation to the Department of Taxation;
- (6) Changing the effective date to upon its approval; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 209, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 209, H.D. 1, S.D. 1, C.D. 1.



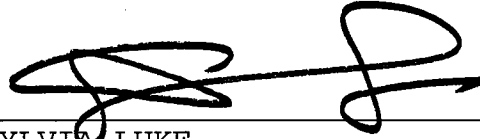
Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE



JILL N. TOKUDA
Chair



SYLVIA LUKE
Chair



Hawaii State Legislature
**Record of Votes of a
 Conference Committee**

CCR 121

Bill / Concurrent Resolution No.: HB 209, HD 1, SD 1	Date/Time: 04/28/17 2:10 PM
--	---------------------------------------

The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
---	---

Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
TOKUDA, Jill N., Chr.	✓				LUKE, Sylvia, Chr.	✓			
ENGLISH, J. Kalani	✓				JOHANSON, Aaron Ling	✓			
SHIMABUKURO, Maile S.L.				✓	TUPOLA, Andria P.L.	✓			
TOTAL	2			1	TOTAL	3			

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
---	--

Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
--	---

Distribution:

Original	Yellow	Pink	Goldenrod
File with Conference Committee Report	House Clerk's Office	Senate Clerk's Office	Drafting Agency