

Honolulu, Hawaii

APR 04 2017

RE: H.B. No. 375  
H.D. 1  
S.D. 1

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

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 375, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to amend state income tax rates to eliminate income tax liability for taxpayers living at or below poverty thresholds.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs and Americans for Democratic Action Hawaii.

Your Committee received comments on this measure from the Department of Taxation, Hawaii Appleseed Center for Law and Economic Justice, and Tax Foundation of Hawaii.

Your Committee finds that Act 223, Session Laws of Hawaii 2015, temporarily increased the amount of the refundable food/excise tax credit. According to the Department of Taxation, making this increase permanent is expected to result in an annual revenue loss of \$6,500,000.

Your Committee has amended this measure by:



- (1) Deleting its contents and replacing them with provisions to make permanent the amendments to the refundable food/excise tax credit by repealing the sunset date in Act 223, Session Laws of Hawaii 2015; and
- (2) Changing the effective date to upon approval.

Your Committee notes that these new provisions also appear in H.B. No. 209, H.D. 1, and S.B. No. 648, both of which were heard by your Committee. It is your Committee's intent to keep the provisions making permanent the amendments to the refundable food/excise tax credit by Act 223, Session Laws of Hawaii 2015, independent of other measures, in order to increase the provisions' chances of successful passage.

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 H.B. No. 375, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 375, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

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



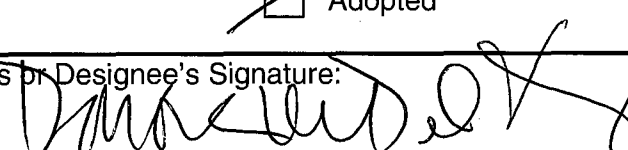
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JILL N. TOKUDA, Chair



The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>HB 375, HDI</b>	Committee Referral: <b>WAM</b>	Date: <b>3/22/17</b>		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" 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)	/			
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood	/			
HARIMOTO, Breene				/
INOUE, Lorraine R.				/
KAHELE, Kaiali'i				/
RIVIERE, Gil	/			
SHIMABUKURO, Maile S.L.	/			
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
<b>TOTAL</b>	<b>8</b>			<b>3</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original    Yellow    Pink    Goldenrod File with Committee Report    Clerk's Office    Drafting Agency    Committee File Copy				

\*Only one measure per Record of Votes