

THE SENATE  
THE TWENTY-NINTH LEGISLATURE  
REGULAR SESSION OF 2017

COMMITTEE ON TRANSPORTATION AND ENERGY

Senator Lorraine R. Inouye, Chair  
Senator Donovan M. Dela Cruz, Vice Chair

COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL, AND MILITARY AFFAIRS

Senator Clarence K. Nishihara, Chair  
Senator Glenn Wakai, Vice Chair

NOTICE OF HEARING

DATE: Wednesday, February 15, 2017  
TIME: 1:15pm  
PLACE: Conference Room 225  
State Capitol  
415 South Beretania Street

A G E N D A

SB 1183

Proposed  
SD1  
Status &  
Testimony

RELATING TO TAXATION.

Authorizes counties that have established a surcharge on state tax prior to 7/1/2015 to extend the surcharge in perpetuity. Authorizes counties that have not established a surcharge by 7/1/2017 to establish a surcharge on state tax. Provides that the State shall retain an unspecified portion of surcharge proceeds for DOT. Requires a county's share of the county surcharge on state tax to be paid to the county on a monthly basis. Part II: Establishes an income tax credit that reduces the tax liability for low-income taxpayers if their federal adjusted gross income falls below federal poverty guidelines. Authorizes all counties to establish a surcharge on state tax prior to 7/1/2018. Makes permanent the county surcharge on state tax. Provides that the State shall retain an unspecified portion of surcharge proceeds for deposit into the state highway fund. Requires a county's share of the county surcharge on state tax to be paid to the county on a monthly basis. Specifies how county surcharges collected shall be allocated among the counties. Part III: Authorizes counties that have established a surcharge on state tax prior to 7/1/2015 to extend the surcharge to December 31, 2032; provided that HCDA transfers specified parcels to the city and county of Honolulu and the city and county of Honolulu meets other requirements prior to December 31, 2027. Repeals parts I and III on January 1, 2028, if the requirements are not met. Authorizes counties that have not established a surcharge on state tax by 7/1/2017 to establish a surcharge. Part IV: Increases the general excise and use tax from four per cent to four and one-half per cent. Specifies that an unspecified amount of the additional revenues shall be transferred to any county adopting a surcharge on state tax; provided that such a county matches up to half of the transferred funds. Limits the expenditures allowed by the county. Requires any county adopting a county surcharge on state tax who receives additional tax revenue to report to the legislature annually on revenues and expenditures. Specifies that an unspecified amount of the additional revenues shall be used by the state for education, department of transportation, affordable housing, and elderly programs and services purposes. Repeals the county surcharge on state tax on January 1, 2019. (Proposed SD1)

TRE/  
PSM,  
WAM

Copies of the proposed SD 1 are available from the Senate Document Center and on the Legislature's website:  
[www.capitol.hawaii.gov](http://www.capitol.hawaii.gov).

**Decision Making to follow, if time permits.**

Click [here](#) to submit testimony to the Senate Committee on Transportation and Energy.



**Testimony may be submitted up to 24 hours prior to the start of the hearing.**

**FOR AMENDED NOTICES:** Measures that have been deleted are stricken through and measures that have been added are underscored. If a measure is both underscored and stricken through, that measure has been deleted from the agenda.

If you require auxiliary aids or services to participate in the public hearing process (i.e. ASL or foreign language interpreter, or wheelchair accessibility), please contact the committee clerk at least 24 hours prior to the hearing so that arrangements can be made.

FOR FURTHER INFORMATION, PLEASE CALL THE COMMITTEE CLERK AT (808) 586 7335.

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Senator Clarence K. Nishihara  
Chair

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Senator Lorraine R. Inouye  
Chair

