STAND. COM. REP. NO. X2

Honolulu, Hawaii

March 2

, 2017

RE: H.B. No. 690

H.D. 1

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 690 entitled:

"A BILL FOR AN ACT RELATING TO INCOME TAX RATES,"

begs leave to report as follows:

The purpose of this measure is to amend State income tax brackets and rates by:

- (1) Decreasing income tax rates by approximately 25 percent for all but the top income earners; and
- (2) Reinstating higher income tax brackets and rates similar to those that were repealed on December 31, 2015.

Hawaii Women's Coalition and IMUAlliance testified in support of this measure. The Chamber of Commerce Hawaii testified in opposition. The Department of Taxation, Tax Foundation of Hawaii, and Hawaii Appleseed Center for Law and Economic Justice provided comments.

Your Committee has amended this measure by:

(1) Clarifying the tax rates imposed on each tax bracket;

- (2) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 690, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 690, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Finance,

SYLVIA LUKE, Chair

## State of Hawaii House of Representatives The Twenty-ninth Legislature

## HSCR 823

## **Record of Votes of the Committee on Finance**

Bill/Resolution No.: HB 690	Committee Referral:	Date	2-9-3	2017
θ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: $\theta$ Pass, unamended (as is) $\theta$ Pass, with amendments (HD) $\theta$ Hold $\theta$ Pass short form bill with HD to recommit for future public hearing (recommit)				
o Fass short form with AD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. CULLEN, Ty J.K. (VC)				
3. CACHOLA, Romy M.				
4. CHOY, Isaac W.				
5. DeCOITE, Lynn				
6. GATES, Cedric Asuega				
7. HOLT, Daniel				
8. KEOHOKALOLE, Jarrett				
9. KOBAYASHI, Bertrand				
10. LoPRESTI, Matthew S.			44100000	
11. LOWEN, Nicole E.				
12. NAKAMURA, Nadine K.				
13. TOKIOKA, James Kunane				
14. QUINLAN, Sean				
15. YAMASHITA, Kyle T.				-4
16. TUPOLA, Andria P.L.				
17. WARD, Gene			a territoria. <u>Antonio de la composición del composición de la composición de la composición del composición de la composición de la composición de la composición de la composición del composición de la composición de la composición del composi</u>	
TOTAL (17)	14	3	0	Ø
The recommendation is: β Adopted θ Not Adopted				
If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature:				
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