

STAND. COM. REP. NO.

823

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to those that were repealed on December 31, 2015.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



