

STAND. COM. REP. NO.

559

Honolulu, Hawaii

FEB 15 2019

RE: S.B. No. 1474
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committees on Education and Higher Education, to which was referred S.B. No. 1474 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

beg leave to report as follows:

The purpose and intent of this measure is to increase the general excise tax by 0.5 percent to provide a dedicated funding source for the Department of Education and University of Hawaii.

Your Committees received testimony in support of this measure from the Department of Education, University of Hawai'i System, Hawaii State Teachers Association, Americans for Democratic Action Hawai'i, Democratic Party of Hawai'i, Democratic Party of Hawai'i Education Caucus, O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, and six individuals. Your Committees received testimony in opposition to this measure from the Hawaii Food Industry Association, Retail Merchants of Hawaii, Honolulu County Republican Party, and five individuals. Your Committees received comments on this measure from the Department of Taxation, Department of Budget and Finance, Tax Foundation of Hawaii, and Life of the Land.

Your Committees find that Hawaii's public schools are critically underfunded. Many schools in the State require extensive upgrades or renovations, including the installation of air conditioning and other heat abatement measures. Teacher



compensation and per-pupil spending are far below the national average. Expansions of prekindergarten, fine arts and humanities, and vocational education programs are required to better serve public school students. An increase in the general excise tax will provide the additional revenues necessary to meet these goals.

Your Committees have amended this measure by:

- (1) Including the following amendments suggested by the Department of Taxation:
 - (A) Amending sections 237-15, 237-16.5, and 237-18, Hawaii Revised Statutes, to insert the omitted increase; and
 - (B) Increasing the use tax to correspond with the increase in the general excise tax;
- (2) Inserting blank amounts for the minimum amount of revenues that shall be deposited into respective special accounts in the general fund for appropriation to and expenditure for operations of the Department of Education and University of Hawaii;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.


As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1474, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1474, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Education and
Higher Education,



DONNA MERCADO KIM, Chair

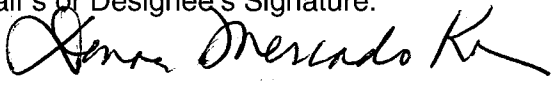


MICHELLE N. KIDANI, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Education
EDU

Bill / Resolution No.:* <i>SB 1474</i>	Committee Referral: <i>EDU/HRE, WAM</i>	Date: <i>2/13/19</i>		
<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
KIDANI, Michelle N. (C)	/			
KIM, Donna Mercado (VC)	/			
DELA CRUZ, Donovan M.				/
KANUHA, Dru Mamo	/			
FEVELLA, Kurt				/
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Higher Education
HRE

Bill / Resolution No.:* <i>SB 1474</i>	Committee Referral: <i>EDU/HRE, WAM</i>	Date: <i>2/13/19</i>		
<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
KIM, Donna Mercado (C)	/			
KIDANI, Michelle N. (VC)	/			
KAHELE, Kaiali'i				/
KEITH-AGARAN, Gilbert S.C.	/			
FEVELLA, Kurt				/
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
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