

Honolulu, Hawaii

MAR 01 2019

RE: S.B. No. 1474

S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1474, S.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 increase the general excise tax and use tax by one-half of one percent to provide a dedicated funding source for the Department of Education and the University of Hawaii.

Your Committee received written comments in support of this measure from the Department of Education, University of Hawaii, King David Kalakaua Middle School, Lanai High and Elementary School, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii, Democratic Party of Hawaii Labor Caucus, Democratic Party of Hawaii Education Caucus, Oahu County Democrats, Americans for Democratic Action Hawaii, Parents for Public Schools Hawaii, Democratic Party of Hawaii, and numerous individuals.

Your Committee received written comments in opposition to this measure from the Retail Merchants of Hawaii, Maui Chamber of Commerce, Hawaii Food Industry Association, Land Use Research Foundation of Hawaii, Hawaii Association of REALTORS, Chamber of Commerce Hawaii, and seven individuals.



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

Your Committee finds that public schools in the State are severely underfunded. Teacher compensation is far below the national average, resulting in a chronic shortage of available qualified teachers. Your Committee further finds that, on average, state public schools are more than sixty years old and that the Department of Education's repair and maintenance backlog currently stands at \$860,000,000.

Your Committee has amended this measure by:

- (1) Clarifying that all additional general excise tax revenues generated and collected pursuant to this measure shall be used as a funding source for the Department of Education and the University of Hawaii;
- (2) Inserting provisions to specify that all additional use tax revenues generated and collected pursuant to this measure shall be used as a funding source for the Department of Education and the University of Hawaii;
- (3) Making corrections to the quoted text of section 238-2, Hawaii Revised Statutes, in the measure to accurately reflect the printed version of the Hawaii Revised Statutes; and
- (4) Making technical nonsubstantive amendments for purposes of consistency, clarity, and style.

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 S.B. No. 1474, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1474, S.D. 2.



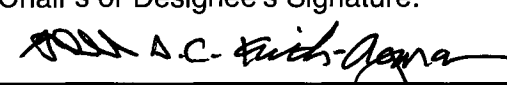
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1474 SDI	EDU/HRE, WAM	3/1/19		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
HARIMOTO, Breene	X			
INOUYE, Lorraine R.			X	
KAHELE, Kaiali'i	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil			X	
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.	X			
FEVELLA, Kurt	X			
TOTAL	11		2	
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes