

Honolulu, Hawaii

, 2020

FEB 12

RE: H.B. No. 1990
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 1990, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Direct a certain percentage of the general excise tax revenues to:
 - (A) The Department of Education or any other entity responsible for school facilities to augment the capacity and infrastructure of its facilities and programs; and
 - (B) The Department of Transportation to protect the state highway system from the threat of inundation and damage caused by climate change;
- (2) From January 1, 2031, to December 31, 2035, establish a state improvement surcharge on the general excise tax and use tax; and
- (3) Direct certain percentages of the state improvement surcharge revenues for the purposes described in



paragraph (1) and to the compound interest bond reserve fund, hurricane reserve fund, and separate trust fund established under section 87A-42, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Education, Department of Transportation, and Democratic Party of Hawaii Education Caucus. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that Hawaii's educational facilities and highways are important assets that need to be maintained, updated, and protected. This measure will provide additional funding for the Department of Education and Department of Transportation to fulfill their respective mandates.

Your Committee has amended this measure by expanding the purposes for which the Department of Transportation can use the revenues that it receives from the state improvement surcharge on the general excise tax and use tax to include augmenting the capacity and infrastructure of the State's highways.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1990, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1990, H.D. 2.

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


HENRY C. AQUINO, Chair



