

Honolulu, Hawaii

FEB 27 , 2020

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 Finance, to which was referred H.B. No. 1990, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to support the educational and transportation needs of Hawaii by:

- (1) Establishing a state improvement surcharge on general excise and use tax revenue;
- (2) Establishing an Educational Infrastructure Special Fund for the Department of Education or any other entity responsible for school facilities to augment the capacity and infrastructure of its facilities and programs;
- (3) Distributing monies from the state improvement surcharge to the Department of Transportation to protect the state highway system from the threat of inundation and damage caused by climate change as well as to augment the capacity and infrastructure of the State's highways; and
- (4) Directing certain percentages of the state improvement surcharge revenues to the compound interest bond reserve



fund, hurricane reserve trust fund, and other post-employment benefits trust fund.

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

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. 1990, H.D. 2, and recommends that it pass Third Reading.

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



SYLVIA LUKE, Chair



