

STAND. COM. REP. NO.

924

Honolulu, Hawaii

MAR 05 2021

RE: S.B. No. 645
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 645, 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 amend the county surcharge on state tax.

More specifically, this measure:

- (1) Extends the period in which a county may adopt a surcharge on state tax, under certain conditions; and
- (2) Authorizes the use of county surcharge revenues for affordable and workforce housing infrastructure.

Your Committee received written comments in support of this measure from a member of the Maui County Council.

Your Committee received written comments on this measure from the Department of Taxation, Maui Chamber of Commerce, NAIOP Hawaii, and Tax Foundation of Hawaii.

Your Committee finds that this measure supports the development of affordable and workforce housing, which will allow



skilled employees to remain in the State, instead of leaving due to a lack of affordable housing options.

Your Committee has amended this measure by:

- (1) Changing the date by which a county may adopt a surcharge on state tax from July 1, 2023, to July 1, 2022;
- (2) Changing the date upon which the Department of Taxation is authorized to begin levying the surcharge from July 1, 2023, to January 1, 2023; and
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

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. 645, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 645, S.D. 2.

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

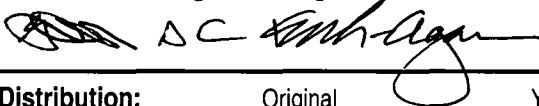


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 645, SD 1	PSM, WAM	3/4/21		
<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			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.				X
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	10			1
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