

STAND. COM. REP. NO. 990 -22

Honolulu, Hawaii

MAR 04 , 2022

RE: H.B. No. 1507
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1507 entitled:

"A BILL FOR AN ACT RELATING TO TAX FAIRNESS,"

begs leave to report as follows:

The purpose of this measure is to deliver tax fairness and financial security to working families by:

- (1) Increasing the tax rate on capital gains; and
- (2) Making the Earned Income Tax Credit refundable and permanent.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association; League of Women Voters of Hawaii; Hawai'i Health & Harm Reduction Center; Americans for Democratic Action Hawai'i; Democratic Party of Hawai'i Education Caucus; Imua Alliance; Hawai'i Public Health Institute; Hawai'i Appleseed Center for Law & Economic Justice; Parents And Children Together; Democratic Party of Hawaii Labor Caucus; Hawai'i Alliance for Progressive Action; American Academy of Pediatrics, Hawaii Chapter; Pono Hawai'i Initiative; Early Childhood Action Strategy; Hawai'i Alliance for Community-Based Economic Development; and eighteen individuals. Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS

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and six individuals. Your Committee received comments on this measure from the Department of Taxation, Department of Budget and Finance, Hawai'i Children's Action Network Speaks!, Tax Foundation of Hawaii, Grassroot Institute of Hawaii, and Chamber of Commerce Hawaii.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 1507, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1507, H.D. 1.

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



SYLVIA LUKE, Chair



