

STAND. COM. REP. NO. **1601** -22

Honolulu, Hawaii

MAR 31 , 2022

RE: H.C.R. No. 106
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 Economic Development, to which was referred H.C.R. No. 106 entitled:

"HOUSE CONCURRENT RESOLUTION URGING HAWAII'S CONGRESSIONAL DELEGATION TO INTRODUCE AND SUPPORT LEGISLATION THAT WOULD REPEAL THE \$10,000 LIMITATION ON THE DEDUCTION FOR STATE AND LOCAL TAXES ENACTED BY THE FEDERAL TAX CUTS AND JOBS ACT OF 2017,"

begs leave to report as follows:

The purpose of this measure is to urge Hawaii's congressional delegation to introduce and support legislation that would repeal the \$10,000 limitation on the deduction for state and local taxes enacted by the federal Tax Cuts and Jobs Act of 2017.

Your Committee received no written testimony on this measure.

Your Committee finds that the federal Tax Cuts and Jobs Act of 2017 included a \$10,000 limitation on deductions for state and local taxes, leading to an increase in state deficits that are statutorily required to be offset by reductions in outlays or increases in other revenue to maintain budget outcomes. This cap further decreases after-tax income for taxpayers, causing more financial hardship and a decrease in the consumption of goods and services that are vital for economic recovery. Your Committee

2022-2724 HCR106 HD1 HSCR HMSO



believes that the working people of Hawaii are in desperate need of tax relief to offset the high cost of living.

Your Committee has amended this measure by 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 Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 106, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.C.R. No. 106, H.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development,


SEAN QUINLAN, Chair



