

THE SENATE
THE THIRTY-FIRST LEGISLATURE
REGULAR SESSION OF 2022

COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

NOTICE OF HEARING

DATE: Wednesday, February 2, 2022
TIME: 10:00 A.M.
PLACE: Conference Room 211 & Videoconference

THE STATE CAPITOL IS CLOSED TO THE PUBLIC DURING THE ONGOING COVID-19 PANDEMIC

This policy is subject to change and may be adjusted based on evolving COVID-19 guidelines.

Please check the Legislature's website for updates www.capitol.hawaii.gov.

To comply with social distancing requirements, only written and videoconference testimony will be accepted. If you wish to testify via videoconference you must also submit written testimony.

A live stream of all Senate Standing Committee meetings will be available on the [Senate YouTube Channel](#).

Click [here](#) for more information about Live and On-Demand Video options.

A G E N D A

SB 2020

[Status &
Testimony](#)

RELATING TO THE GENERAL EXCISE TAX.

WAM

Clarifies that, under the general excise tax law, sales to a licensed retail merchant, jobber, or other licensed seller for resale are only eligible for the wholesale tax rate if the resale is subject to the highest general excise tax rate. Adds a similar requirement for sales of tangible personal property to a service provider or for the purpose of providing transient accommodations.

SB 2165

[Status &
Testimony](#)

RELATING TO THE LOW-INCOME HOUSEHOLD RENTERS TAX CREDIT.

WAM

Increases the credit amount and the income eligibility cap thresholds for the income tax credit for low-income household renters by using tax brackets. Provides for inflation increases every three years based on the urban Hawaii consumer price index beginning with taxable years beginning after 12/31/2023.

SB 2242

[Status &
Testimony](#)

RELATING TO TAXATION.

WAM

Increases personal income tax revenues for high earning taxpayers by establishing new income tax brackets and rates that are applied against a broader level of taxable income for taxable years beginning after 12/31/2021. Increases the tax on capital gains. Increases the corporate income tax and establishes a single corporate income tax rate. Exempts unemployment payments from the State's personal income tax from 1/1/2022.

<u>SB 2303</u> <u>Status & Testimony</u>	RELATING TO THE GENERAL EXCISE TAX. Authorizes the Director of Taxation to exempt a taxpayer whose annual general excise tax liability does not exceed \$100 from monthly, quarterly, or semiannual general excise tax filing requirements; provided that the taxpayer files an annual return. Applies to taxable years beginning after 12/31/2022.	WAM
<u>SB 2337</u> <u>Status & Testimony</u>	RELATING TO TAX CREDITS. Requires that new income tax credits established or renewed after 12/31/2022 include a five-year sunset or an annual one-third reduction.	WAM
<u>SB 2380</u> <u>Status & Testimony</u>	RELATING TO TAX ADMINISTRATION SPECIAL FUND. Increases to \$5,000,000 the maximum amount of total revenues collected by the Special Enforcement Section of the Department of Taxation that may be deposited into the Tax Administration Special Fund.	WAM
<u>SB 2485</u> <u>Status & Testimony</u>	RELATING TO TAX FAIRNESS. Increases the tax rate on capital gains. Makes the state earned income tax credit refundable and permanent. Applies to taxable years beginning after December 31, 2022.	WAM
<u>SB 2599</u> <u>Status & Testimony</u>	RELATING TO THE TAX CREDIT FOR RESEARCH ACTIVITIES. Adds a cap for an eligible taxpayer and the taxpayer's related entities per taxable year; consolidates the survey and certification requirements; amends the annual aggregate cap; and requires certification on a first-come, first-served basis to be based on the date a complete application is received, subject to certain conditions, for the tax credit for research activities.	WAM
<u>SB 2654</u> <u>Status & Testimony</u>	RELATING TO WATER RATIONING. Establishes an income tax credit for water rationing systems.	WAM
<u>SB 2712</u> <u>Status & Testimony</u>	RELATING TO CERTIFICATES OF PARTICIPATION. Prohibits the Director of Finance from issuing or approving any certificate of participation that exceeds \$10 million.	WAM
<u>SB 3074</u> <u>Status & Testimony</u>	MAKING AN APPROPRIATION TO THE EMERGENCY AND BUDGET RESERVE FUND. Makes a general fund appropriation for fiscal year 2021-2022 to further capitalize the Emergency and Budget Reserve Fund.	WAM
<u>SB 3099</u> <u>Status & Testimony</u>	RELATING TO EARNED INCOME TAX CREDIT. Extends the availability of the state earned income tax credit until tax year 2028.	WAM
<u>SB 3100</u> <u>Status & Testimony</u>	RELATING TO CONSTITUTIONAL TAX REFUND FOR RESIDENT TAXPAYERS. Creates a one-time income tax refund for resident taxpayers that shall be refunded to implement the provision of article VII, section 6, of the Constitution of the State of Hawaii.	WAM

Decision Making to follow, if time permits.

All testimony received by the Hawai'i Senate is posted on the Hawai'i Legislature's website, which is accessible to the public. Please do not include private information that you do not want disclosed to the public.

Persons wishing to submit written testimony or request to testify via videoconference may do so up to 24 hours prior to the hearing.

Click [here](#) to submit **written testimony**.

If you wish to **testify via videoconference** during the hearing, please sign in to your account on the Legislature's website, then click on the "Testimony" icon on the home page. Detailed step-by-step instructions are available on the testimony submittal page. They are also posted on the Legislature's website [here](#).

Please note the following:

- The number of videoconference testifiers and/or time allotted to each testifier may be limited by the Chair when necessary to adhere to the committee hearing schedule. We may not be able to accommodate everyone who requests to testify remotely.
- Videoconference testifiers for this hearing will be limited to **2 minutes** each.

For general help navigating the committee hearing process, please contact the Public Access Room at (808) 587-0478 or par@capitol.hawaii.gov. You can also visit their website at <https://lrb.hawaii.gov/par/>.

For special assistance: The cable TV broadcast and/or live stream of this meeting will include closed captioning. If you require other auxiliary aids or services to participate in the public hearing process (i.e., interpretive services (oral or written) or ASL interpreter), or are unable to submit testimony via the website due to a disability, please contact the committee at WAMcommittee@capitol.hawaii.gov at least 24 hours prior to the hearing.

For amended notices: Measures that have been deleted are stricken through and measures that have been added are underscored. If a measure is both underscored and stricken through, that measure has been deleted from the agenda.

FOR FURTHER INFORMATION, PLEASE CALL THE COMMITTEE CLERK AT (808) 586-6800.

Senator Donovan M. Dela Cruz
Chair