

STAND. COM. REP. NO.

975

Honolulu, Hawaii

**MAR 03** , 2023

RE: H.B. No. 40

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 40  
entitled:

"A BILL FOR AN ACT RELATING TO THE GENERAL FUND,"

begs leave to report as follows:

The purpose of this measure is to provide a tax credit to  
taxpayers and make deposits to the Emergency and Budget Reserve  
Fund and Other Post-Employment Benefits Trust Fund pursuant to  
Article VII, section 6, of the Hawaii State Constitution.

Your Committee received testimony in support of this measure  
from four individuals. Your Committee received comments on this  
measure from the Department of Taxation, Department of Budget and  
Finance, Hawaii Emergency Management Agency, and Tax Foundation of  
Hawaii.

Your Committee finds that when the balance of the general  
fund at the close of each of two successive fiscal years has  
exceeded five percent of the general fund revenues for both fiscal  
years, article VII, section 6, of the Hawaii State Constitution  
requires the Legislature to dispose of excess general fund  
revenues through a tax credit or refund to state taxpayers; a  
deposit into one or more funds as supplemental sources of funding  
in times of an emergency, economic downturn, or unforeseen  
reduction in revenue; or an appropriation of general funds for the  
pre-payment of debt service for general obligation bonds or

2023-1953 HB40 HSCR HMSO



pension or other post-employment benefit liabilities accrued for state employees.

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. 40 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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



KYLE T. YAMASHITA, Chair



