

STAND. COM. REP. NO.

3680

Honolulu, Hawaii

APR 05 2024

RE: H.B. No. 2404
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 2404, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to amend the state income tax law.

More specifically, this measure:

- (1) Changes income tax rates to unspecified amounts;
- (2) Changes the applicable percentage and minimum applicable percentage of the employment-related expenses for which the Child and Dependent Care Income Tax Credit may be claimed to unspecified percentages;
- (3) Changes the adjusted gross income overage and annual threshold amounts used to calculate the applicable percentage to unspecified amounts; and
- (4) Conforms state tax laws to certain federal deductions.

Your Committee received testimony in support of this measure from the Office of The Governor, Department of Taxation, Hawaii



County Office of Aging, AARP Hawaii, Catholic Charities Hawaii, Chamber of Commerce Hawaii, Hawaii Alliance for Progressive Action, Hawaii Children's Action Network Speaks!, Hawaii Family Caregiver Coalition, Hawaii Primary Care Association, Hawaii State Democratic Women's Caucus, and nineteen individuals.

Your Committee received comments on this measure from the Democratic Party of Hawaii, Grassroot Institute of Hawaii, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Public Health Institute, League of Women Voters of Hawaii, and Tax Foundation of Hawaii.

Your Committee finds that providing tax relief for low- to moderate-income taxpayers will allow the State's residents to retain more of their income, and will help address cost-of-living increases.

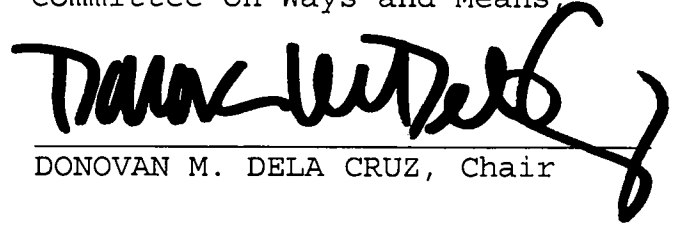
Your Committee has amended this measure by deleting its contents and inserting provisions to:

- (1) Increase the amounts for the income tax brackets and standard deduction amounts for tax year 2024;
- (2) Adjust annually for tax years beginning after December 31, 2024, the income tax brackets and standard deduction amounts by a cost-of-living adjustment factor; and
- (3) Amend the taxable income brackets and income tax rates for each filing status for taxable years beginning after December 31, 2023.

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 H.B. No. 2404, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2404, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.



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



DONOVAN M. DELA CRUZ, Chair



