

STAND. COM. REP. NO. 754-24

Honolulu, Hawaii

MAR 01, 2024

RE: H.B. No. 2779
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2779 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to incrementally increase the amount of the income tax standard deduction for taxable years beginning after December 31, 2023, through taxable years beginning after December 31, 2033.

Your Committee received testimony in support of this measure from the Grassroot Institute of Hawaii and one individual. Your Committee received comments on this measure from the Office of the Governor; Department of Taxation; and Tax Foundation of Hawaii.

Your Committee finds that the State has the highest cost of living in the country at nearly twice the national average, which is hurting families and individuals. Your Committee believes that increasing the amount of the standard of deduction would provide much needed tax relief for Hawaii residents, especially those at lower and middle income levels.

Your Committee has amended this measure by:

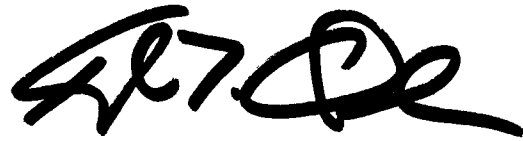
2024-2003 HB2779 HD1 HSCR HMSO



- (1) Specifying that the incremental increases in the standard deduction begin for taxable years beginning after December 31, 2026, through taxable years beginning after December 31, 2033; and
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) 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. 2779, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2779, H.D. 1, 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



