

STAND. COM. REP. NO.

1596

Honolulu, Hawaii

APR 04 2023

RE: H.B. No. 40

S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Ways and Means, 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 and intent of this measure is to dispose of excess general fund revenues, as required by article VII, section 6, of the Hawaii State Constitution.

Specifically, this measure:

- (1) Provides for an income tax credit to every resident individual taxpayer of the State;
- (2) Deposits an unspecified sum into the emergency and budget reserve fund; and
- (3) Deposits an unspecified sum into the other post-employment benefits trust fund.

Your Committee received written comments in support of this measure from the Department of Budget and Finance.

Your Committee received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.



Your Committee finds that when the balance of the State's 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:

- (1) Provide for a tax refund or tax credit to the taxpayers of the State;
- (2) Make a deposit into one or more funds, which shall serve as temporary supplemental sources of funding for the State in times of an emergency, economic downturn, or unforeseen reduction in revenue; or
- (3) Appropriate general funds for the pre-payment of:
  - (A) Debt service of general obligation bonds issued by the State; or
  - (B) Pension or other post-employment benefit liabilities accrued for state employees.

Your Committee further finds that the required conditions have been met, and that this measure provides a vehicle for the Legislature to implement one or more of the constitutionally mandated options.

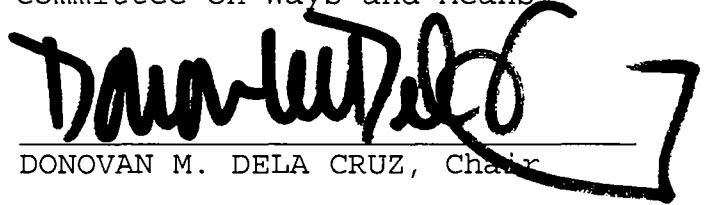
Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

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. 40, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 40, S.D. 1.



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

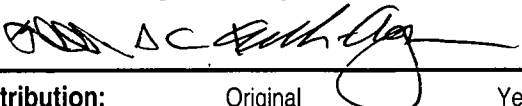
A large, stylized handwritten signature in black ink, appearing to read "Donovan M. DeLa Cruz". The signature is written over a horizontal line and is enclosed within a large, hand-drawn bracket on the right side.

DONOVAN M. DELA CRUZ, Chair



The Senate  
Thirty-Second Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB40	LBT, WAM	3/30/12		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
<b>TOTAL</b>	13			
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes