

STAND. COM. REP. NO. 2901

Honolulu, Hawaii

MAR 01 2024

RE: S.B. No. 2279
S.D. 2

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 S.B. No. 2279, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to amend state income tax law with regard to graduate assistants.

More specifically, this measure:

- (1) Requires any qualified tuition reduction for graduate assistants enrolled in graduate level coursework to be considered taxable income; and
- (2) Restricts the qualified tuition reduction for graduate assistants enrolled in graduate level coursework to be equal to an amount not more than a certain percentage of the resident tuition fee.

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

Your Committee finds that, to offset the cost of graduate education, universities may provide a tuition waiver of a certain number of credit hours in exchange for work as a graduate



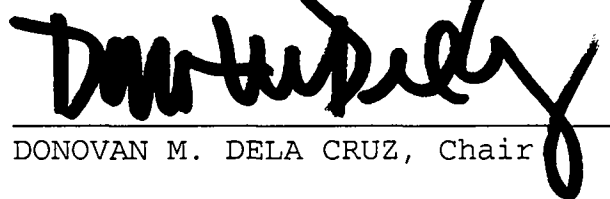
assistant, teaching assistant, or research assistant. Your Committee also finds that, under existing law, this added benefit may not be considered taxable income for all graduate assistants. Your Committee further finds that, as a quantifiable benefit, tuition waivers for graduate assistants should be considered taxable income for the purpose of state income taxation.

Your Committee has amended this measure by:

- (1) Amending section 235-2.4, Hawaii Revised Statutes, to specifically state that section 117(d) of the federal Internal Revenue Code shall not be operative with respect to qualified tuition reductions provided to graduate assistants; and
- (2) Making conforming amendments to the definition of "qualified tuition reduction".

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 S.B. No. 2279, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2279, S.D. 2, 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



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB2279 SDI	Committee Referral: WAM	Date: 2/28/2024		
<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			
MORIWAKI, Sharon Y. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
HASHIMOTO, Troy N.	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
SHIMABUKURO, Maile S.L.				X
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	12			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: _____				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes