

STAND. COM. REP. NO.

1941

Honolulu, Hawaii

APR 04 , 2025

RE: S.B. No. 325
S.D. 1
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Finance, to which was referred S.B. No. 325, S.D. 1, 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 comments on this measure from the Department of Taxation 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 exceeds five percent of the general fund revenues for each of those two 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 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 pension or other post-employment benefit liabilities accrued for



state employees. This measure is a vehicle for taking those constitutionally mandated actions.

Your Committee has amended this measure by changing the effective date to July 1, 3000, to encourage further discussion.

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 S.B. No. 325, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 325, S.D. 1, 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



