

STAND. COM. REP. NO.

693

Honolulu, Hawaii

FEB 18 2025

RE: S.B. No. 721
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 721 entitled:

"A BILL FOR AN ACT RELATING TO THE ESTATE TAX,"

begs leave to report as follows:

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

More specifically, this measure repeals exemptions granted to a nonresident whose taxable estate is exempt under the law of the state where the nonresident is domiciled.

Your Committee received testimony in support of this measure from Hawai'i Children's Action Network Speaks!

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

Your Committee finds that the estate tax is intended to reduce income inequality and invest in the needs of Hawaii's working families. The tax applies only to the wealthiest individuals in the State, rather than the vast majority of working families. As a result, significant revenue is generated by simply requiring the wealthy, who can best afford the burden of an estate tax, to pay their fair share. Your Committee also finds that substantial revenues are lost due to exemptions in current state



law. In certain circumstances, nonresidents are not required to pay estate tax on property that is exempt from taxation under the laws of the state where the nonresident is domiciled. Your Committee further finds that these provisions threaten the uniform fairness of the estate taxation regime and exempt a potentially massive amount of wealth from the estate tax.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

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. 721, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 721, 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



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB721</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2-12-25</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>				
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			
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	13	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> Distribution: Original File with Committee Report </div> <div style="text-align: center;"> Yellow Clerk's Office </div> <div style="text-align: center;"> Pink Drafting Agency </div> <div style="text-align: center;"> Goldenrod Committee File Copy </div> </div>				

*Only one measure per Record of Votes