

Honolulu, Hawaii

APR 09 2009

RE: H.B. No. 1544
H.D. 1
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1544, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAX EXEMPTIONS,"

begs leave to report as follows:

The purpose of this measure is to conform the state tax exemption to the personal exemption phase-out provision found in section 151 of the Internal Revenue Code.

Additionally, this measure adjusts the income level at which the phase-out begins by using the inflation-adjusted amounts as of July 1, 2008, and by further reducing those amounts by twenty-five per cent. This measure will be repealed on June 30, 2015.

One state agency submitted testimony in opposition to this measure. One organization submitted comments on this measure. Written testimony and comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will result in a phase-out of the personal exemption (which is \$1,040) for higher income earners. Your Committee further finds that reducing the phase-out threshold for the state personal income tax exemption will create savings for the State that are necessary to the State's financial plan for closing the current budget deficit.



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

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. 1544, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1544, H.D. 1, 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,




DONNA MERCADO KIM, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1544 HD1	WAM	APRIL 2, 2009		
<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
KIM, Donna Mercado (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
GALUTERIA, Brickwood	/			
HEE, Clayton				/
HOOSER, Gary L.	/			
KIDANI, Michelle N.	/			
KOKUBUN, Russell S.				/
TOKUDA, Jill N.	/			
HEMMINGS, Fred				/
TOTAL	9			3
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