

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Reinstate deduction for wagering losses

BILL NUMBER: SB 2834, SD-1

INTRODUCED BY: Senate Committee on Ways & Means

BRIEF SUMMARY: Amends HRS section 235-2.4(e) to provide that IRC section 165(d) (with respect to wagering losses) shall be operative for Hawaii income tax purposes.

EFFECTIVE DATE: Tax years beginning after 12/31/08

STAFF COMMENTS: The legislature by Act 165, SLH 2009, provided that Hawaii taxpayers would not be able to deduct their "gambling" losses against their winnings for tax years beginning after December 31, 2008. This measure would reinstate the wagering deduction and bring Hawaii's income tax law regarding this deduction back into conformity with the federal Internal Revenue Code provisions.

As there is no hard data on this deduction, it is difficult to ascertain whether there was any revenue gain when the wagering deduction was suspended during the past year. However, lawmakers did believe that in taking away the provision that allowed the deduction there were additional revenues to be had. Unfortunately, their gambling happy constituency did not think it was fair and apparently lawmakers heard the loud protests.

Digested 3/29/10

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 29, 2010 3:21 AM
To: FINTestimony
Cc: oconnellj002@hawaii.rr.com
Subject: Testimony for SB2834 on 3/29/2010 6:00:00 PM

Testimony for FIN 3/29/2010 6:00:00 PM SB2834

Conference room: 308
Testifier position: support
Testifier will be present: Yes
Submitted by: joan o'connell
Organization: Individual
Address: p.o. box 1472 kailua, hi 96734
Phone: 808-261-2650
E-mail: oconnellj002@hawaii.rr.com
Submitted on: 3/29/2010

Comments:

3/29/10 2:30 A.M.

To the House Finance Committee,

I am very much in support of passing SB2834 ASAP. I believe it must be passed by 4/1/10. Please don't Deck it. I testified in favor of HB2313 which would have repealed HB1495, a bill designed to erase the allowing of deducting gambling losses from gambling winnings which the IRS still lets us do.

Bill HB1495 disallowing Win/Loss deductions is discriminating against slot machine players. You can win millions of dollars playing table games(Blackjack, craps,poker,baccarat,etc.) but the minute you win a \$1200.00 or higher jackpot on a slot machine you get a W-2.

Getting slot jackpots of \$1200.00 dollars or higher does not mean you are a winner. Sometimes you lose a lot more than that beforehand and are really playing catch-up.

Gambling is not legal in Hawaii so how can you tax us for going out of state?

I also came down here to testify AGAINST the bill that proposed a gambling casino in Hawaii. No form of gambling should be allowed here as the ills it causes far outweighs the benefits.(I speak from experience.)

So, bottom line I am respectfully asking you to pass this bill allowing us our deductions on our Hawaii tax returns.

P.S. I am giving up my religious holiday Passover Seder dinner to be here to testify as it is that important to me. That is comparable to Christians skipping Easter.I dropped off the chicken soup I made first.

Thanks in advance for your cooperation.

Joan O'Connell
P.O.Box 1472
Kailua, Hi 96734
808-261-2650