

STAND. COM. REP. NO.

1514

Honolulu, Hawaii

APR 07 2017

RE: H.B. No. 547  
H.D. 2  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 547, H.D. 2, 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 authorize a tax credit of up to \$400 per month for qualified expenses incurred by a taxpayer for hosting a foreign exchange individual.

Your Committee received written comments in support of this measure from International Hospitality Center and fourteen individuals.

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

Your Committee finds that foreign exchange study programs benefit not only program participants, but also the State. However, volunteer host families may incur significant expenses for participating in the programs, yet receive no financial compensation. Your Committee believes that the tax credit established by this measure may reduce the financial burden for host families, and make participation in foreign exchange programs economically feasible for more Hawaii families.



Your Committee notes that the Department of Taxation estimates that if this measure were to take effect on July 1, 2017, the tax credit in the measure would lead to tax revenue losses, as follows:

<u>Fiscal Year</u>	<u>Tax Revenue Loss</u>
2019	\$2,450,000
2020	\$2,570,000
2021	\$2,700,000
2022	\$2,830,000
2023	\$2,970,000

Your Committee has amended this measure by:

- (1) Changing the maximum monthly amount of the tax credit to an unspecified sum;
- (2) Conforming a reference to the Internal Revenue Code of 1986, as amended, to recommended drafting convention; and
- (3) Making the measure applicable to taxable years beginning after December 31, 2051, 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 H.B. No. 547, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 547, H.D. 2, S.D. 2.


Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
JILL N. TOKUDA, Chair



The Senate  
Twenty-Ninth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:	Committee Referral:	Date:		
HB 547, HD2, SD1	EDU/IAA, WAM	4/3/17		
<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
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood				/
HARIMOTO, Breene	/			
INOUYE, Lorraine R.				/
KAHELE, Kaiali'i	/			
RIVIERE, Gil	/			
SHIMABUKURO, Maile S.L.	/			
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
<b>TOTAL</b>	<b>9</b>			<b>2</b>
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