

STAND. COM. REP. NO.

544

Honolulu, Hawaii

MAR 02 2017

RE: S.B. No. 713  
S.D. 1

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 S.B. No. 713 entitled:

"A BILL FOR AN ACT RELATING TO BUDGET DOCUMENTS,"

begs leave to report as follows:

The purpose and intent of this measure is to require that the state six-year program and financial plan and budget include information on tax expenditures.

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

Your Committee finds that more detailed information on tax expenditures is necessary for good public policy decision-making. Tax expenditures, similar to the appropriations of funds, result in a reduction of resources available for public programs. Your Committee further finds that public information on tax expenditures, particularly their negative impact on the state treasury, is not as readily available as is public information on budget appropriations and expenditures.

Your Committee notes that it will continue to work with the Department of Budget and Finance on this measure and related legislation to improve and enhance budgetary information that is required to be submitted to the Legislature.



Your Committee has amended this measure by:

- (1) Clarifying the definition of the term "tax expenditures"; and
- (2) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

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. 713, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 713, 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,

  
\_\_\_\_\_  
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.:*<br><b>SB 713</b>   | Committee Referral:<br><b>WAM</b> | Date:<br><b>2/3/17</b> |     |          |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____  |                                   |                        |     |          |
| The Recommendation is:<br><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   | /                                 |                        |     | /        |
|  |                                   |                        |     | /        |
|  |                                   |                        |     | /        |
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|  |                                   |                        |     | /        |
| <b>TOTAL</b>   | <b>19</b>                         |                        |     | <b>2</b> |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted   |                                   |                        |     |          |
| Chair's or Designee's Signature:<br>   |                                   |                        |     |          |
| Distribution:                    Original                      Yellow                      Pink                      Goldenrod<br>File with Committee Report    Clerk's Office              Drafting Agency              Committee File Copy |                                   |                        |     |          |

\*Only one measure per Record of Votes