

STAND. COM. REP. NO.

3142

Honolulu, Hawaii

MAR 23 2018

RE: H.B. No. 2587
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committees on Transportation and Energy and Public Safety, Intergovernmental, and Military Affairs, to which was referred H.B. No. 2587, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

beg leave to report as follows:

The purpose and intent of this measure is to extend the period that a county may adopt a surcharge on state tax, under certain conditions, by six months, from March 31, 2018, to September 30, 2018.

Your Committees received testimony in support of this measure from the Hawaii County Mayor and Pacific Resource Partnership. Your Committees received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committees find that counties are permitted to establish a surcharge on state tax for operating or capital costs of public transportation, but the ordinance to establish this surcharge must be adopted prior to March 31, 2018. Your Committees note that some counties are working to establish a surcharge, but because the counties are holding public hearings, any proposed ordinances are unlikely to be adopted in time to meet the March 31 deadline.



Your Committees heard the Department of Taxation's concerns about having sufficient time to prepare for the collection of the county surcharge. Your Committees note that the companion to this measure, S.B. No. 3088, S.D. 2, which was previously passed by the Senate, is a substantially similar measure that addresses this concern. In addition, S.B. No. 3088, S.D. 2, contains language clarifying how proceeds from the surcharge can be spent.

Accordingly, your Committees have amended this measure by:

- (1) Deleting its contents and inserting contents of S.B. No. 3088, S.D. 2, a substantially similar measure, which:
 - (A) Extends the period that a county may adopt a surcharge on state tax, under certain conditions, from March 31, 2018, to June 30, 2018, rather than September 30, 2018; and
 - (B) Requires that for counties with a population equal to or less than five hundred thousand that adopts a county surcharge on state tax that:
 - (i) No less than sixty percent of the surcharge shall be used for transportation purposes; and
 - (ii) Up to two percent of the surcharge can be used on any roadway used by the general public; and
- (2) Inserting an effective date of January 1, 2100, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Public Safety, Intergovernmental, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2587, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2587, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Transportation
and Energy and Public Safety,
Intergovernmental, and Military
Affairs,

Clarence K. Nishihara
CLARENCE K. NISHIHARA, Chair

Lorraine R. Inouye
LORRAINE R. INOUE, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Transportation and Energy
TRE

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>HB 2587, HD1</i>	<i>TRE/PSM, WAMM</i>	<i>3/16/18</i>		
<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
INOUYE, Lorraine R. (C)	<i>X</i>			
ESPERO, Will (VC)	<i>X</i>			
ENGLISH, J. Kalani				<i>X</i>
HARIMOTO, Breene				<i>X</i>
SHIMABUKURO, Maile S.L.	<i>X</i>			
TOTAL	<i>3</i>			<i>2</i>
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>Will Espo</i>				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes

The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Public Safety, Intergovernmental, and Military Affairs
PSM

Bill / Resolution No.:* HB2587, HD1	Committee Referral: TRE/PSM, WAM	Date: 3/16/18		
<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
NISHIHARA, Clarence K. (C)	✓			
WAKAI, Glenn (VC)	✓			
BAKER, Rosalyn H.				✓
IHARA, Jr., Les				✓
THIELEN, Laura H.	✓			
TOTAL	3	0	0	2
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				

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