

STAND. COM. REP. NO. **2248**

Honolulu, Hawaii

FEB 13 2018

RE: S.B. No. 2257

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

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 2257 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to require that revenue estimates provided by the Department of Taxation to the Legislature or to any executive or administrative office be accompanied by a description of the methodology used and assumptions made in providing the estimate and that the estimate and description be open to public disclosure.

Your Committee received testimony in support of this measure from the Civil Beat Law Center for the Public Interest, Common Cause Hawaii, Ulupono Initiative, and two individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that government transparency is essential to maintaining a healthy relationship between the public and its representatives. Each year, the Legislature proposes many measures that will or may have a resulting economic impact. For many of these measures, the Department of Taxation provides an estimate to the Legislature of the revenue impact of the proposed legislation. However, the Department does not necessarily provide an accompanying description of the methodology used and assumptions made in providing the estimate. Your Committee finds



that economic impact estimates can have a significant impact on the actions taken on bills. Therefore, your Committee finds that requiring the Department to provide a description of the methodology used and assumptions made in providing the revenue impact estimate will enhance legislative decision making and promote transparency. As a further means of promoting transparency, your Committee also finds that the Department's estimate and accompanying description of its methodology and assumptions should be made available for disclosure to the public.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2257 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Government
Operations,



DONNA MERCADO KIM, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:* SB 2257	Committee Referral: GVO, WAM	Date: 2/8/18		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input 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)	5			
RUDERMAN, Russell E. (VC)				
GALUTERIA, Brickwood				
KEITH-AGARAN, Gilbert S.C.				
RHOADS, Karl				
TOTAL	5	0	0	0
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