

Honolulu, Hawaii

FEB 12 2018

RE: S.B. No. 2484  
S.D. 1

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2484 entitled:

"A BILL FOR AN ACT RELATING TO ESTATE TAXES,"

begs leave to report as follows:

The purpose and intent of this measure is to maintain the responsibility of Hawaii residents to pay a fair and equitable tax on large estates.

More specifically, this measure increases estate taxes for Hawaii net taxable estates valued at over \$10,000,000.

Your Committee received testimony in support of this measure from the Hawaii Appleseed Center for Law and Economic Justice, IMUAlliance, Life of the Land, and five individuals.

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

Your Committee finds that the federal government has significantly raised the threshold for the federal estate tax. Public Law No. 115-97, originally introduced in Congress as the Tax Cuts and Jobs Act, doubles the threshold of the federal estate tax, which will result in a reduction in federal estate tax revenues. Your Committee also finds that, by amending Hawaii's



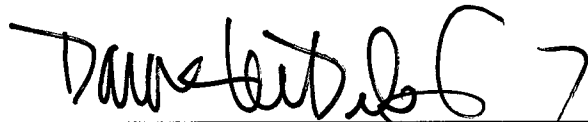
estate tax thresholds and rates, the State can capture some of the money that certain residents will no longer be required to pay to the federal government and redirect that money to the State. Your Committee believes that any additional estate tax revenue paid to the State could be used to pay for priorities that the federal government will no longer be able to support due to the significant reduction of estate tax revenues.

Your Committee has amended this measure by:

- (1) Deleting the amendment to section 236E-6, Hawaii Revised Statutes, which would have added an erroneous statutory cross reference to that section;
- (2) Changing the base tax amount due on Hawaii net taxable estates valued at over \$10,000,000 from \$1,200,000 to \$1,385,000; and
- (3) 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. 2484, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2484, S.D. 1, and be placed on the calendar for Third Reading.

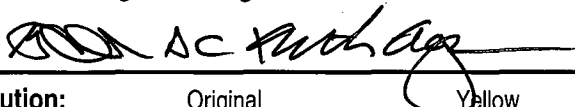
Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, 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:		
SB2484	WAM	1/29/18		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani				X
GALUTERIA, Brickwood	X			
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KIDANI, Michelle N.				X
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
WAKAI, Glenn	X			
<b>TOTAL</b>	9	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	

\*Only one measure per Record of Votes