

STAND. COM. REP. NO.

1006

Honolulu, Hawaii

MAR 23 2017

RE: H.B. No. 1276
H.D. 1
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 Higher Education, to which was referred
H.B. No. 1276, H.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 encourage the
pursuit of postsecondary education by providing an additional
state income tax deduction for student loan interest paid on
qualified educational loans.

Your Committee received testimony in support of this measure
from the Hawaii State Teachers Association and Graduate Student
Organization at the University of Hawai'i at Mānoa. Your Committee
received comments on this measure from the Department of Taxation
and Tax Foundation of Hawaii.

Your Committee finds that the costs associated with
postsecondary education often force students to go into debt.
Student debt has increasingly become a burden on individuals and
families, and sometimes deters talented individuals from seeking
desired education. Your Committee further finds that professions
such as teaching that do not offer high compensation suffer from
shortages of qualified individuals, and reducing student debt
costs could help incentive individuals to pursue these
professions. This measure will encourage Hawaii residents to not



let the idea of financing a postsecondary education deter them from pursuing a postsecondary education.

Your Committee has amended this measure by:

- (1) Inserting a maximum allowable deduction from gross income of \$5,000 for the state income tax deduction for student loan interest paid on qualified education loans;
- (2) Inserting an effective date of July 1, 2017; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1276, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1276, 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
Committee on Higher Education,


KATALI I KAHELE, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Higher Education
HRE

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1276, HD1	HRE, WAM	3/14/2017		
<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
KAHELE, Kaiali'i (C)	/			
KIDANI, Michelle N. (VC)	/			
ESPERO, Will	/			
KEITH-AGARAN, Gilbert S.C.	/			
TANIGUCHI, Brian T.				/
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes