Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1361 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 increase estate taxes for Hawaii net taxable estates that are valued at over $10,000,000.

Your Committee received testimony in support of this measure from the Americans for Democratic Action Hawaii, League of Women Voters of Hawaii, Hawaii Appleseed Center for Law and Economic Justice, and several individuals.

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

Your Committee finds that this measure will allow the State to capture some of the funds that certain residents will no longer be required to pay to the federal government due to the federal Tax Cuts and Jobs Act, which doubled the amount of an inheritance that is exempt from the federal estate tax, and to utilize those funds for addressing critically important state responsibilities.

Your Committee has amended this measure by making the measure applicable to decedents dying or taxable transfers occurring after...
December 31, 2019, in order to provide the Department of Taxation with sufficient time to implement the new law.

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. 1361, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1361, 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,

[Signature]

DONOVAN M. DELA CRUZ, Chair
The Senate
Thirtieth Legislature
State of Hawai‘i

Record of Votes
Committee on Ways and Means

Bill / Resolution No.: SB 1361
Committee Referral: WAM
Date: 2/11/19

The Committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to:

The Recommendation is:

<table>
<thead>
<tr>
<th>Members</th>
<th>Aye</th>
<th>Aye (WR)</th>
<th>Nay</th>
<th>Excused</th>
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</thead>
<tbody>
<tr>
<td>DELA CRUZ, Donovan M. (C)</td>
<td>X</td>
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<tr>
<td>KEITH-AGARAN, Gilbert S.C. (VC)</td>
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<td>ENGLISH, J. Kalani</td>
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<td>HARIMOTO, Breene</td>
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<td>INOUYE, Lorraine R.</td>
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<td>KAHELE, Kaiali‘i</td>
<td>X</td>
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<td>KANUHA, Dru Mamo</td>
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<td>KIDANI, Michelle N.</td>
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<td>MORIWAKI, Sharon Y.</td>
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<td>RIVIERE, Gil</td>
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<td>SHIMABUKURO, Maile S.L.</td>
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<td>TANIGUCHI, Brian T.</td>
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<td>FEVELLA, Kurt</td>
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TOTAL 19

Recommendation: X Adopted □ 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

Revised: 12/19/18