

STAND. COM. REP. NO.

1190

Honolulu, Hawaii

MAR 01 2019

RE: S.B. No. 162  
S.D. 2

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. 162, S.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 establish a refundable tax credit for taxpayers who hire an elderly individual.

Prior to a public hearing on the measure, a proposed Senate Draft No. 2 (Proposed Draft) was circulated for public review and comment.

The Proposed Draft deleted the contents of the measure as received by your Committee and inserted provisions that:

- (1) Increase the rental motor vehicle surcharge tax for lessees from \$3 to \$5 for each day, or portion of a day, that a rental motor vehicle is rented;
- (2) Repeal the additional surcharge tax of \$2 for each day, or portion of a day, for lessees who do not possess a valid Hawaii driver's license; and



- (3) Deposit revenue collected from the \$5 surcharge tax into the county subaccount of the state highway fund for the purposes of section 248-9(c), Hawaii Revised Statutes.

Your Committee received testimony in support of the Proposed Draft from the Department of the Attorney General, Department of Taxation, and Department of Transportation.

Your Committee received comments on the Proposed Draft from the Avis Budget Group, Enterprise Holdings, and Tax Foundation of Hawaii.

Your Committee finds that an increase in the rental motor vehicle surcharge tax is necessary to supplement the state highway fund, because revenues from the fuel tax are unstable as consumers switch to the use of alternative fuel vehicles, electric vehicles, and hybrid vehicles.

Your Committee has amended this measure by adopting the Proposed Draft and amending the Proposed Draft further by providing that, of each \$5 collected pursuant to the surcharge tax:

- (1) \$2 shall be deposited into the respective county subaccount of the state highway fund for state highway road capacity projects in the county that generated the surcharge tax; and
- (2) \$3 shall be deposited into the state highway fund for statewide use.

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. 162, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 162, S.D. 2.



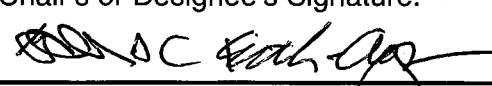
Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 162, SD 1	HMS, WAM	3/1/19		
<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
HARIMOTO, Breene				X
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i				X
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.	X			
FEVELLA, Kurt				X
<b>TOTAL</b>	9			4
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b> Original    Yellow    Pink    Goldenrod File with Committee Report    Clerk's Office    Drafting Agency    Committee File Copy				

\*Only one measure per Record of Votes