

STAND. COM. REP. NO. **3015**

Honolulu, Hawaii

**FEB 28 2020**

RE: S.B. No. 3124  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 3124 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to change the income tax rates for taxable years beginning after December 31, 2020.

Your Committee received testimony in support of this measure from Hawaii Appleseed Center for Law and Economic Justice, Hawaiian Community Assets and Hawaii Community Lending, Hawaii Health and Harm Reduction Center, League of Women Voters of Hawaii, Patients Without Time, and five individuals.

Your Committee received comments on this measure from the Department of Taxation, Americans for Democratic Action, and Tax Foundation of Hawaii.

Your Committee finds that Hawaii's high cost of living is an economic burden on working families. Your Committee also finds that this burden is a contributing factor in the net migration of persons who move away from the State to find better economic opportunities. Accordingly, your Committee believes that it is appropriate to relieve some of the economic burden on lower-income individuals by adjusting the income tax rates.



Your Committee has amended this measure by:

- (1) Adjusting some of the new income tax rates to correct for rounding errors;
- (2) Correcting language in the effective date clause regarding the taxable years to which the new income tax rates shall apply;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive changes for purposes of clarity, consistency, 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. 3124, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3124, S.D. 1, and be placed on the calendar for Third Reading.

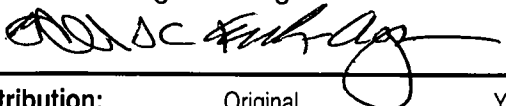
Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:	Date:		
<b>SB 3124</b>	<b>WAM</b>	<b>2/19/20</b>		
<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>	<b>10</b>			<b>3</b>
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