

NEIL ABERCROMBIE  
GOVERNOR

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**LATE TESTIMONY**

To: The Honorable Sylvia Luke, Chair  
and Members of the House Committee on Finance

Date: Wednesday, February 13, 2013

Time: 2:00 p.m.

Place: Conference Room 308, State Capitol

From: Frederick D. Pablo, Director  
Department of Taxation

Re: H.B. 694 Relating to Taxation

Department of Taxation (Department) defers to the Department of Budget and Finance on the revenue impact of this bill on the State's financial plan. The Department offers the following information and comments for the committee's consideration.

H.B. 694 amends section 6 (1) of Act 60, Session Laws of Hawaii (SLH) 2009, to sunset the temporary income tax increase for the higher income tax brackets one year early. The Department notes that section 4 of Act 97, SLH 2011, amended section 6 (2) and (3) of Act 60, SLH 2009, to delay the increase in standard deduction and personal exemption amounts by two years and to make the increases in standard deduction and personal exemption amounts permanent. Therefore, H.B. 694 should reflect the amendments made to Act 60, SLH 2009 by Act 97, SLH 2011.

The Department defers to the Legislative Reference Bureau on the amendments needed to carry out the intent of this bill noting that section 4 of Act 97, SLH 2011, amended section 6 (2) and (3) of Act 60, SLH 2009.

The estimated revenue loss is \$48.6 million in FY 2016.

Thank you for the opportunity to provide comments.