Honolulu, Hawaii

Fe 4 13, 2007

RE: H.B. No. 1854 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Sir:

Your Committee on Economic Development & Business Concerns, to which was referred H.B. No. 1854 entitled:

"A BILL FOR AN ACT RELATING TO NEW MARKETS TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to provide new markets tax credits to encourage investments in business and economic development in low-income communities.

Your Committee received favorable testimony from a local practitioner. The Department of Taxation offered comments, while the Department of Business, Economic Development, and Tourism submitted comments and deferred their position on the measure to the Department of Taxation.

Your Committee finds that the new markets tax credit proposed in this bill mirrors the federal tax credit which attracts capital investment in low-income areas to finance community development projects, stimulate the economy, and to create new jobs.

Your Committee has amended the measure by changing the effective date to July 1, 2034 to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1854, as amended herein, and

HB1854 HD1 HSCR LRB 07-2110.doc

recommends that it pass Second Reading in the form attached hereto as H.B. No. 1854, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Economic Development & Business Concerns,

KYLE T. YAMASHITA, Chair

HSUP 345

## State of Hawaii House of Representatives The Twenty-fourth Legislature

## Record of Votes of the Committee on Economic Development & Business Concerns

Bill/Resolution No.: HB 1854	Date: February 5, 2007			
Committee Referral: EDB	☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to:  Pass, unamended	Pass, with amendments			
☐ Hold	<ul> <li>Pass, with amendments, for recommittal for further consideration</li> </ul>			
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)				
2. WAKAI, Glenn (VC)	V			
3. BERG, Lyla B., Ph.D.	<u> </u>			
4. BROWER, Tom	<b>/</b>			
5. CHANG, Jerry L.	<u> </u>			
6. HANOHANO, Faye P.	_/_			
7. HERKES, Robert N.				
8. MANAHAN, Joey	$V_{\mathcal{L}}$			
9. TSUJI, Clift	<u> </u>			
10. YAMANE, Ryan I.			Sparana z con con con con con	
11. CHING, Corinne W.L.				
12. MARUMOTO, Barbara C.	<del></del>			
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TOTAL	10		Ø	1
The recommendation is:				
☐ Not Adopted				
If joint referral, did not support recommendation.  committee acronym(s)				
committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) Committee Duplicate (Yellow) – Clerk's Office				