STAND. COM. REP. NO. **969** -08

Honolulu, Hawaii

Fc 729, 2008

RE: H.B. No. 2778 H.D. 2

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2778, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAX CREDITS,"

begs leave to report as follows:

The purpose of this bill, as received by your Committee, was to determine the social and economic impacts derived from state tax credits provided by the Legislature, if any, by requiring the Department of Business, Economic Development, and Tourism (DBEDT) to conduct a comprehensive study on these tax credits.

However, prior to the hearing, your Committee deleted the contents of H.B. No. 2778, H.D. 1, and drafted and circulated a proposed House draft 2 for consideration. Proposed H.B. 2778, H.D. 2 was placed on the calendar for a hearing and testimony was received on this measure. As drafted, the purpose of proposed H.B. 2778, H.D. 2 is to ensure the critical provision of long-term care needs facing Hawaii's senior and adult disabled population by providing businesses employing less than 100 full-time or part-time employees who purchase long-term care insurance for their employees with a tax credit that is equal to either \$500 per employee or 50 percent of the premium for long-term care insurance, whichever is less.

The National Association of Insurance and Financial Advisors Hawaii and American Council of Life Insurers testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this bill by adopting the language contained in the proposed H.B. No. 2778, H.D. 2, and has further amended this measure by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2778, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2778, H.D. 2.

Respectfully submitted on behalf of the members of the Committee on Finance,

MARCUS R. OSHIRO, Chair

State of Hawaii House of Representatives The Twenty-fourth Legislature



Record of Votes of the Committee on Finance

Bill/Resolution No.:	THE CONTRACTOR STATE OF THE SECOND STATE OF TH		Date:	
HB 2778	FIN		2-26-2008	
\Box The committee is reconsidering its previous	rious decision on the measure.			
The recommendation is to: □ Pass, unamended (as is) Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)				
2. LEE, Marilyn B. (VC)	ν			
3. AWANA, Karen Leinani				
4. BELATTI, Della Au	V			
5. BROWER, Tom				
6. CARROLL, Mele				Lamana
7. HANOHANO, Faye P.				
8. HAR, Sharon E.	+			
9. KARAMATSU, Jon Riki				
10. MAGAOAY, Michael Y.				
11. MANAHAN, Joey				
12. MIZUNO, John	/			_
13. NAKASONE, Bob				
14. RHOADS, Karl				_
15. SAGUM, Roland D., III	'			
16. TOKIOKA, James Kunane	/			
17. MEYER, Colleen Rose				
18. PINE, Kymberly Marcos				
19. WARD, Gene, Ph.D.				
	<u> </u>			
TOTAL (19)	16	\bigcirc	\bigcirc	3
The recommendation is: Adopted Not Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: Marly B. Lee				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				