

CONFERENCE COMMITTEE REP. NO.

132

Honolulu, Hawaii

MAY 01 2009 , 2009

RE: S.B. No. 199
S.D. 1
H.D. 1
C.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam and Sir:

Your Committee on Conference to which was recommitted S.B.
No. 199, S.D. 1, H.D. 1, C.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

having met, and after full and free discussion, has agreed to
recommend and does recommend to the respective Houses the final
passage of this bill in an amended form.

As originally received, this measure limits claims for business
tax credits for taxable years beginning January 1, 2009, and ending
before January 1, 2011, to seventy-five per cent of the taxpayer's
liability for the taxable year in which the credit is claimed. The
measure also exempts certain tax credits from this limitation.

The measure in its amended form limits claims for the high
technology business investment tax credit and the technology
infrastructure renovation tax credit for taxable years beginning
January 1, 2009, and ending before January 1, 2011, to ninety per
cent of the taxpayer's liability for the taxable year in which the
credit is claimed.



In addition, this measure:

- (1) Prohibits tax credit carryovers into subsequent taxable years of any high technology business investment tax credit and technology infrastructure renovation tax credit generated between January 1, 2009, and December 31, 2010;
- (2) Provides for the temporary treatment of pass-through entities for income tax credit allocation purposes;
- (3) Temporarily removes the partner distributive share tax incentive for the high technology business investment tax credit; and
- (4) Temporarily suspends the capital goods excise tax credit for one year to coincide with the federal capital goods excise tax credit under section 179 of the Internal Revenue Code.

Upon reconsideration, your Committee has further amended this measure by:

- (1) Changing the amount of the tax credit claim limitation from ninety per cent to eighty per cent of a taxpayer's tax liability;
- (2) Removing the provisions for the temporary treatment of pass-through entities for income tax credit allocation purposes;
- (3) Clarifying that the investment credit allocation ratio shall be 1 to 1 for any investment made on or after May 1, 2009;
- (4) Specifying that applicable sections of the measure apply to investments made, renovation costs incurred, or eligible tangible property placed in service on or after May 1, 2009;
- (5) Prohibiting tax credit carryover for any tax credits claimed for taxable years beginning on or after January 1, 2009 to December 31, 2010;
- (6) Removing the measure's sunset date; and



- (7) Making technical, nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 199, S.D. 1, H.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 199, S.D. 1, H.D. 1, C.D. 2.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE


MARCUS R. OSHIRO, Chair

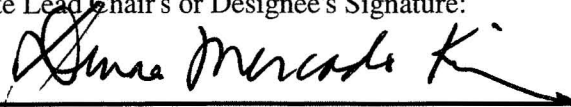
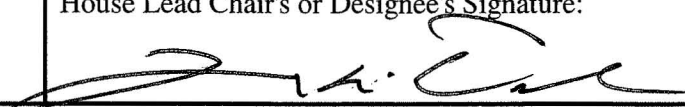

DONNA MERCADO KIM, Chair



Hawaii State Legislature

Record of Votes of a
Conference Committee

CER 132

Bill / Concurrent Resolution No.: SB 199, SD 1, HD 1, CD 1					Date/Time: 4/30/09 3:02pm				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
KIM, Donna Mercado, Chr.	/				OSHIRO, Marcus R., Chr.	/			
FUKUNAGA, Carol			/		CHONG, Pono	/			
KOKUBUN, Russell S.	/				CHOY, Isaac W.	/			
TSUTSUI, Shan S.	/				LEE, Marilyn B.	/			
HEMMINGS, Fred	/				WARD, Gene		/		
TOTAL	4		1		TOTAL	4	1		
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is:					House Recommendation is:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature:					House Lead Chair's or Designee's Signature:				
									
Distribution:									
Original		Yellow		Pink		Goldenrod			
File with Conference Committee Report		House Clerk's Office		Senate Clerk's Office		Drafting Agency			