STAND. COM. REP. NO. 1608

Honolulu, Hawaii

S.B. No. 199

S.D. 1 H.D. 1

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 199, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to address the current fiscal crisis and minimize revenue losses to the State by repealing all income tax credits for taxable years beginning after December 31, 2010.

A concerned individual supported this bill. ProVision Technologies, Inc., Archinoetics, LLC, Hawaii Science & Technology Council, Oceanit, and several concerned individuals opposed this measure. The Department of Taxation; Department of Business, Economic Development, and Tourism; Department of Agriculture; Hawaii Housing Finance and Development Corporation; Honolulu Film Office; Maui County Film Commissioner; Hawaii Film and Entertainment Board; Tax Foundation of Hawaii; Hawaii Farm Bureau Federation; EAH Housing; Alexander & Baldwin, Inc.; Hawaiian Commercial & Sugar Company; Hawaii BioEnergy; Hawaii Association of REALTORS; Pacific West Energy LLC; Kauai Ethanol LLC; G&R AgEnergy LLC; Hawaii Solar Energy Association; Inter-Island Solar Supply; Mutual Housing Association of Hawaii; Hawaii PV Coalition; and Green Power Projects LLC submitted comments.

Your Committee has amended this measure by deleting its contents and inserting the substance of House Bill No. 1583, H.D. 1, Regular Session of 2009, which limits claims for business tax credits, for taxable years beginning January 1, 2009, and ending before January 1, 2011, to 75 percent of the taxpayer's tax liability for the taxable year in which the credit is claimed. As amended, this measure also, among other things:

- (1) Prohibits tax credit carryovers into subsequent taxable years of any business credit generated between January 1, 2009, and December 31, 2010;
- (2) Applies to tax credits under the Income Tax Law, Public Service Company Tax Law, Taxation of Banks and Other Financial Corporations Law, and the Insurance Code; and
- (3) Includes a list of tax credits that are exempt from the limitations provided for in this measure.

Technical, nonsubstantive amendments were also made to this measure, as amended, 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 S.B. No. 199, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 199, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

MARCUS R. OSHIRO, Chair

State of Hawaii House of Representatives The Twenty-fifth Legislature



Record of Votes of the Committee on Finance

	State of Hawaii ouse of Representativ Twenty-fifth Legisla		HSCR	1608
Record of Vo	tes of the Committ	tee on Financ	e	•
Bill/Resolution No.: Co	Committee Referral:		Date: April 3, 2009 March 25, 2009	
☐ The committee is reconsidering its previous	decision on the measure.			
The recommendation is to: ☐ Pass, unan ☐ Pass short	nended (as is) Pa form bill with HD to reco	ss, with amendment commit for future pu		
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)			and the second s	
2. LEE, Marilyn B. (VC)				
3. AQUINO, Henry J.C.				
4. AWANA, Karen Leinani		September of the second		
5. BROWER, Tom	V			
6. CHOY, Isaac W.				
7. COFFMAN, Denny				
8. HAR, Sharon E.				
9. KEITH-AGARAN, Gilbert S.C.				
10. LEE, Chris				
11. NISHIMOTO, Scott Y.				
12. SAGUM, Roland D., III	V			
13. TOKIOKA, James Kunane				
14. WOOLEY, Jessica	V			
15. YAMASHITA, Kyle T.				
16. PINE, Kymberly Marcos		V		
17. WARD, Gene				
TOTAL (17) The recommendation is: Adopted	13 Not Adopt	2	6	2
If joint referr	-	did not sur	oport recommendation	1.
Vice Chair's or designee's signature:	Mary:	3. Lee		
Distribution: Original (White) – Committee	Duplicate (Yellow) -	- Chief Clerk's Off	ice Duplicate (F	Pink) – HMSO