

STAND. COM. REP. NO.

850

Honolulu, Hawaii

MAR 06 2009

RE: S.B. No. 464
S.D. 2

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 464, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to change the renewable energy technologies income tax credit to a refundable tax credit for certain taxpayers.

The measure removes the restriction on the type of income the tax credit can be used to offset and allows special allocations of the tax credit in certain cases. The measure also excludes a depreciation deduction from passive activity losses.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the renewable energy technologies income tax credit provides little financial incentive for investors. Your Committee believes that this measure would make capital investment in renewable energy technologies more attractive to a wider range of investors who would be able to make use of the tax credit.

Your Committee has amended this measure by:



- (1) Removing the provisions that would have made the renewable energy technologies income tax credit refundable;
- (2) Adding a provision that prohibits a taxpayer who claims the renewable energy technologies income tax credit from claiming any other income tax credit using the same actual costs or from qualifying as a qualified high technology business;
- (3) Changing the effective date to January 1, 2090, to facilitate further discussion on the measure; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 464, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 464, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DONNA MERCADO KIM, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
SB 464 SPI	ENE, WAM	MAR 3 2009
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div><input type="checkbox"/> Pass, unamended 2312</div> <div><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div><input type="checkbox"/> Hold 2310</div> <div><input type="checkbox"/> Recommit 2313</div> </div>		
Members	Aye	Aye (WR)
Nay	Excused	
KIM, Donna Mercado (C)	/	
TSUTSUI, Shan S. (VC)	/	
CHUN OAKLAND, Suzanne	/	
ENGLISH, J. Kalani		/
FUKUNAGA, Carol	/	
GALUTERIA, Brickwood	/	
HEE, Clayton		/
HOOSER, Gary L.	/	
KIDANI, Michelle N.	/	
KOKUBUN, Russell S.	/	
TOKUDA, Jill N.	/	
HEMMINGS, Fred		/
TOTAL	9	3
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>		
Chair's or Designee's Signature: 		
Distribution: <div style="display: flex; justify-content: space-between; font-size: small;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>		

*Only one measure per Record of Votes