STAND. COM. REP. NO. 745

Honolulu, Hawaii

Merch 6, 2009

RE: H.B. No. 611 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 H.B. No. 611 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to ensure the State's fiscal integrity and provide good state fiscal policy by establishing a sunrise and sunset review of certain tax exemptions, deductions, and credits to require legislative review of these programs.

The Hawaii Hotel and Lodging Association supported this bill. The National Fraternal Congress of America, County of Hawaii's Office of Housing and Community Development, Mutual Housing Association of Hawaii, Inc., The Chamber of Commerce of Hawaii, National Association of Insurance and Financial Advisors, Screen Actors Guild - Hawaii Branch, American Council of Life Insurers, Housing Hawaii, The Recording Academy's Pacific Northwest Chapter, Hawaii Pacific Health, and a concerned individual opposed this measure. The Department of Taxation, Department of Business, Economic Development, and Tourism, Hawaii Housing Finance and Development Corporation, Department of Human Services (DHS), Hawaiian Telcom, Hawaii Film & Entertainment Board, Hawaii BioEnergy, The Queen's Medical Center, Covanta Energy Group, Hawaii Association of REALTORS, Hawaii Government Employees Association, Tax Foundation of Hawaii, County of Maui's Office of Economic Development, and Honolulu Film Office submitted comments. Your Committee has amended this bill by:

- (1) Penalizing erroneous claims for tax exemptions;
- (2) Deleting provisions requiring DHS to evaluate various tax credits or exemptions; and
- (3) Making technical, nonsubstantive changes 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. 611, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 611, 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

Bill/Resolution No.: Committee	ee Referral;	V Date	March 2	1,2009
☐ The committee is reconsidering its previous 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)	V			
2. LEE, Marilyn B. (VC)				
3. AQUINO, Henry J.C.	\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \			
4. AWANA, Karen Leinani	~			
5. BROWER, Tom	V			
6. CHOY, Isaac W.	/			
7. COFFMAN, Denny	\ \sigma			
8. HAR, Sharon E.	1			
9. KEITH-AGARAN, Gilbert S.C.	V			
10. LEE, Chris	<i>✓</i>			
11. NISHIMOTO, Scott Y.	V			
12. SAGUM, Roland D., III				
13. TOKIOKA, James Kunane	, v			
14. WOOLEY, Jessica				
15. YAMASHITA, Kyle T.				
16. PINE, Kymberly Marcos		V		
17. WARD, Gene				
9				
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TOTAL (17)	15	1	0	1
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: Marily 3. Lel				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				