STAND. COM. REP. NO. Honolulu, Hawaii , 2011 March 4 H.B. No. 795 RE:

H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 795 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill as received by your Committee is to temporarily limit the amount of income tax credits a taxpayer may claim against the taxpayer's net income tax liability to 80 percent of the taxpayer's tax liability for the taxable year in which the credit is claimed.

For the purposes of a public hearing, your Committee circulated a proposed H.D. 1 that deleted the contents of the bill and replaced them with provisions that place a temporary cap on the amount of transient accommodations tax (TAT) revenues distributed to the counties at the lesser of 44.8 percent or \$101,978,000 of the TAT revenues collected in a fiscal year.

The City and County of Honolulu, Mayor of Hawaii County, ILWU Local 142, and a concerned individual opposed this bill. The Department of Taxation, Mayor of Kauai County, Maui County, and Tax Foundation of Hawaii provided comments.



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Your Committee has amended this bill by adopting the proposed H.D. 1.

Your Committee has further amended this bill by 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. 795, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 795, 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-sixth Legislature



Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 795	Committee Referral: F1N	Date:	3/2/	 /
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Image: Pass, unamended (as is) Pass, with amendments (HD) Image: Hold Image: 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)				
3. CHONG, Pono				
4. CHOY, Isaac W.	V			
5. COFFMAN, Denny				
6. CULLEN, Ty				
7. HAR, Sharon E.	V			
8. HASHEM, Mark J.	V			
9. ICHIYAMA, Linda	V			
10. JORDAN, Jo	/			
11. LEE, Chris	V			, <u>.</u>
12. MORIKAWA, Dee	V			
13. TOKIOKA, James Kunane	V			
14. YAMASHITA, Kyle T.				
15. MARUMOTO, Barbara C.				
16. RIVIERE, Gil	~ ~			
17. WARD, Gene	<u> </u>			
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TOTAL (17)	17	\bigcirc	O	\bigcirc
The recommendation is: Adopted I Not Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				