Honolulu, Hawaii

March 2 , 2012

RE: H.B. No. 2326 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2012 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2326 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to amend the:

- (1) Energy income tax credit;
- (2) Renewable energy technology tax credit;
- (3) Ethanol facility tax credit;
- (4) Attractions and educational facilities tax credit;
- (5) Capital goods excise tax credit; and
- (6) Low-income housing tax credit,

to provide that the basis of eligible property for depreciation of accelerated cost recovery system purposes for state income taxes shall be reduced by the amount of the tax credit allowable and claimed.

The Department of Taxation, the Tax Foundation of Hawaii, Hawaii PV Coalition, and the Hawaii Association of REALTORS commented on this measure.

HB2326 HD1 HSCR FIN HMS 2012-2576

Your Committee has amended this measure by:

- (1) Deleting the requirement that the basis of eligible depreciable property for state income tax purposes shall be reduced by the amount of the low-income housing tax credit claimed; and
- (2) Making technical, nonsubstantive amendments for the purposes of 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. 2326, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2326, H.D. 1.

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

HSCR 908.12

Record of Votes of the Committee on Finance

HB 2326	EEP, FU	Date:	3/1/1	2
☐ 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)				-
2. LEE, Marilyn B. (VC)	V			
3. CHOY, Isaac W.	V		,	1
4. CULLEN, Ty				-
5. GIUGNI, Heather				
6. HAR, Sharon E.				
7. HASHEM, Mark J.	V			
8. ICHIYAMA, Linda			, <u></u>	
9. JORDAN, Jo	V/			
10. KAWAKAMI, Derek S.K.				
11. LEE, Chris	V			
12. MORIKAWA, Dee	V			
13. TOKIOKA, James Kunane				
14. YAMASHITA, Kyle T.	1			
15. MARUMOTO, Barbara C.	V			
16. RIVIERE, Gil	1			
17. WARD, Gene	V		'	
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TOTAL (17)	17	0		0
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				