STAND. COM. REP. NO. **2523**

Honolulu, Hawaii

FEB 1 2 2020

RE: S.B. No. 3007

S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirtieth State Legislature Regular Session of 2020 State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism, to which was referred S.B. No. 3007 entitled:

"A BILL FOR AN ACT RELATING TO TAX CREDITS,"

begs leave to report as follows:

The purpose and intent of this measure is to require the Department of Business, Economic Development, and Tourism to make a public disclosure identifying the taxpayers receiving tax credits for certain economic activities.

Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; and Tax Foundation of Hawaii.

Your Committee finds that the motion picture, digital media, and film production income tax credit and tax credit for research activities utilize a significant amount of taxpayer monies to support the research and film industries. Your Committee believes that taxpayers should be able to access information regarding who is receiving the tax credits and how much of the tax credits these businesses and organizations are receiving. This measure will improve transparency in how taxpayer monies are being used by requiring a public disclosure of who is receiving certain tax credits and how much they are receiving.

Your Committee has amended this measure by:

- (1) Clarifying that the public disclosure identifies who the taxpayer is and how much of the tax credit they are receiving;
- (2) Amending the effective date to apply to taxable years beginning after December 31, 2020; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3007, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3007, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Energy, Economic Development, and Tourism,

GLENN WAKAI, Chair

The Senate Thirtieth Legislature State of Hawai'i

Record of Votes Committee on Energy, Economic Development, and Tourism EET

Bill / Resolution No.:*	Committee	Referral:		Date:	
SB 3007	GET	WAT	1	2/3/	2010
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR) Nay	Excused
WAKAI, Glenn (C)					
TANIGUCHI, Brian T. (VC)					
INOUYE, Lorraine R.					
KEOHOKALOLE, Jarrett					
FEVELLA, Kurt					
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Recommendation:					
Adopted Not Adopted					
Chair's or Designee's Signature:					
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*Only one measure per Record of Votes