

Honolulu, Hawaii
Feb 29, 2008

RE: H.B. No. 2778
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2778, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill, as received by your Committee, was to determine the social and economic impacts derived from state tax credits provided by the Legislature, if any, by requiring the Department of Business, Economic Development, and Tourism (DBEDT) to conduct a comprehensive study on these tax credits.

However, prior to the hearing, your Committee deleted the contents of H.B. No. 2778, H.D. 1, and drafted and circulated a proposed House draft 2 for consideration. Proposed H.B. 2778, H.D. 2 was placed on the calendar for a hearing and testimony was received on this measure. As drafted, the purpose of proposed H.B. 2778, H.D. 2 is to ensure the critical provision of long-term care needs facing Hawaii's senior and adult disabled population by providing businesses employing less than 100 full-time or part-time employees who purchase long-term care insurance for their employees with a tax credit that is equal to either \$500 per employee or 50 percent of the premium for long-term care insurance, whichever is less.



The National Association of Insurance and Financial Advisors Hawaii and American Council of Life Insurers testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this bill by adopting the language contained in the proposed H.B. No. 2778, H.D. 2, and has further amended this measure by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) 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. 2778, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2778, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,


MARCUS R. OSHIRO, Chair



