STAND. COM. REP. NO. 873 -08

Honolulu, Hawaii **FEYZ9**, 2008 RE: H.B. No. 2942 H.D. 1

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. 2942 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to repeal certain tax credits and tax exemptions and require the Department of Business, Economic Development, and Tourism (DBEDT) and Department of Human Services (DHS) to evaluate those tax credits and tax exemptions and report to the Legislature as to whether they should be modified, reenacted, or repealed.

The Department of Taxation (DOTAX), Hawaii Housing Finance and Development Corporation, Hawaii Renewable Energy Alliance, Hawaii Solar Energy Association, Hawaiian Electric Company, Inc., Maui Electric Company, Hawaii Electric Light Company, Inc., Hawaii Bankers Association, and PacifiCap Group, LLC, opposed this bill. DBEDT, DHS, Hawaii Science & Technology Council, Hawaii Association of REALTORS, and EAH Housing provided comments.

Your Committee has amended this bill by:

- Adding provisions for penalties for making unreasonable or fraudulent claims for a tax refund or credit;
- (2) Removing some of the tax credits and exemptions from the list to be repealed and evaluated;



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- (3) Allowing DOTAX to work with other agencies and contract with technical experts to conduct the evaluation and report;
- (4) Adding an appropriation for an unspecified amount for DOTAX to hire additional staff to conduct the evaluation and report; and
- (5) 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. 2942, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2942, 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-fourth Legislature



## **Record of Votes of the Committee on Finance**

Bill/Resolution No.: Com HB 2942	mittee Referral: Date: ドエN 2-26			-2008	
□ The committee is reconsidering its previous de	ecision on the measure.				
The recommendation is to:Image: Pass, unameImage: Descent for the second secon	nded (as is) Pa	ss, with amendments ( mmit for future public			
FIN Members	Ayes	Ayes (WR)	Nays	Excused	
1. OSHIRO, Marcus R. (C)	V				
2. LEE, Marilyn B. (VC)	~				
3. AWANA, Karen Leinani	1				
4. BELATTI, Della Au	-	V			
5. BROWER, Tom	~ ~				
6. CARROLL, Mele	~				
7. HANOHANO, Faye P.					
8. HAR, Sharon E.	-			~	
9. KARAMATSU, Jon Riki					
10. MAGAOAY, Michael Y.	~				
11. MANAHAN, Joey					
12. MIZUNO, John	~				
13. NAKASONE, Bob					
14. RHOADS, Karl					
15. SAGUM, Roland D., III					
16. TOKIOKA, James Kunane	~				
17. MEYER, Colleen Rose					
18. PINE, Kymberly Marcos	•	~			
19. WARD, Gene, Ph.D.	-				
TOTAL (19)	14	3	()	2	
The recommendation is: Adopted If joint referral	, On the acronym	did not suppor	t recommendatio	n.	
Vice Chair's or designee's signature:	Marily	B. Le	シ		
<b>Distribution:</b> Original (White) – Committee	Duplicate (Yell	ow) – Chief Clerk's Of	fice		