

STAND. COM. REP. NO.

2952

Honolulu, Hawaii

MAR 14 2008

RE: H.B. No. 3008  
H.D. 2  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Madam:

Your Committee on Human Services and Public Housing, to which was referred H.B. No. 3008, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO QUALIFIED IMPROVEMENT TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to provide a tax credit for qualified capital improvements made to federally qualified health centers.

Testimony in support of this measure was submitted by Hawai'i Primary Care Association, Kokua Kalihi Valley, the Waianae Coast Comprehensive Health Center, and the Waikiki Health Center. Comments on the measure were submitted by the Hawaii Tax Foundation. Comments on the measure were submitted by the Department of Taxation.

Your Committee finds that community health centers in Hawaii are critical safety net providers that face an increasingly high demand for free and discounted medical, dental, behavioral health, pharmaceutical and other services for low-income and underserved groups. In their attempts to meet greater community need, community health centers face the challenging prospects of expanding facilities, obtaining equipment, and upgrading technology systems. Your Committee further finds that community health centers are major economic engines in their respective communities, generating millions of dollars in economic activity,

2008-1890 SSCR SMA-1.doc



employing a substantial number of people, and providing training, career ladders, and civic leadership opportunities. In addition, your Committee wishes to note that this measure would stimulate nearly \$130,000,000 in capital improvements and expansion and would allow community health centers to increase their capacity by almost sixty per cent.

Your Committee has amended this measure by:

- (1) Changing the effective date to upon its approval, and its applicability to taxable years beginning after December 31, 2008; and
- (2) Incorporating the comments made by the Waianae Coast Comprehensive Health Center to allow the tax credit described in the measure to be claimed by tax-exempt organizations.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3008, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3008, H.D. 2, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Respectfully submitted on  
behalf of the members of the  
Committee on Human Services and  
Public Housing,


*Suzanne Chun Oakland*

SUZANNE CHUN OAKLAND, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Human Services and Public Housing**  
**HSP**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 3008, HD 2	HSP, BOT, WAM	3/13/08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
HOOSER, Gary L.				✓
SAKAMOTO, Norman	✓			
HEMMINGS, Fred				✓
<b>TOTAL</b>	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:             Original             Yellow             Pink File with Committee Report             Clerk's Office             Drafting Agency				

\*Only one measure per Record of Votes