

Honolulu, Hawaii

Feb 2, 2006

RE: H.B. No. 2147

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Water, Land, & Ocean Resources, to which was referred H.B. No. 2147 entitled:

"A BILL FOR AN ACT RELATING TO DROUGHT MITIGATING WATER STORAGE FACILITIES,"

begs leave to report as follows:

The purpose of this bill is to extend the expiration date of the income tax credit for drought mitigating water storage facilities.

The Hawaii Crop Improvement Association, Maui Land and Pineapple Company, Inc., Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, and Maui County Farm Bureau testified in support of this bill. The Department of Land and Natural Resources and Department of Agriculture supported the intent of this measure. The Department of Taxation and Tax Foundation of Hawaii offered comments.

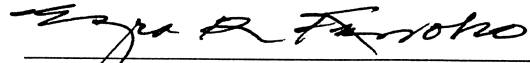
Although your Committee momentarily pondered the complete repeal of the sunset provision for income tax credits for drought mitigating water storage devices, this action was deferred for subsequent consideration as the measure goes through the legislative process.



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As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2147 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Water, Land, &
Ocean Resources,


EZRA R. KANOHO, Chair



