

Honolulu, Hawaii

Aug 17, 2006

RE: S.B. No. 2076
S.D. 2
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 2076, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LEASEHOLD CONVERSION,"

begs leave to report as follows:

The purpose of this bill is to encourage lessors of residential real properties to sell their fee interest by providing an incentive in the form of an income tax exemption for 100 percent of the gain realized from the sale.

Hawaii Independent Condominium & Cooperative Owners, Hawaii Council of Associations of Apartment Owners, Hawaii Association of Realtors, The League of Women Voters of Hawaii, Monarch Properties, Inc., and several concerned individuals testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

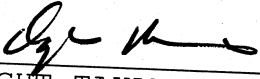
Your Committee has amended this measure by:

- (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 S.B. No. 2076, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2076, S.D. 2, H.D. 2.

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



DWIGHT TAKAMINE, Chair



