

Honolulu, Hawaii

APR - 7 2006

RE: H.B. No. 1448
H.D. 2
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1448, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO INCOME TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to establish an income tax credit for qualifying costs of automatic fire sprinkler systems installed and placed into service after June 30, 2006.

Your Committee has amended this measure by deleting its contents and replacing it with a one-time refundable tax credit to assist victims statewide who have suffered from the affects of heavy rain and flooding.

Your Committee finds that the recent heavy rain and flooding that has lasted for a record forty-one days has caused severe damage and suffering all across the State. From the mudslides in Tantalus, to the flooding in Honolulu and Windward Oahu and the devastating tragedy in Hanalei Kauai, it seems few communities were spared the affects of this freakish inclement weather.

Although the impetus for the tax credit provided in this measure was the heavy rain and flood that ravaged Manoa Valley in 2004, your Committee cannot ignore the continuing onslaught of heavy rain and flooding since that incident and, therefore, has expanded the tax credit to cover all rain and flood damages statewide since 2004.



Your Committee notes the discussion related to assisting private companies in the Mapunapuna area of Oahu that suffered flooding damages to their businesses in 2003. Although these businesses chose not to avail themselves of loan assistance at that time, your Committee is willing to entertain further discussion on this matter during the remainder of the 2006 legislative session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1448, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1448, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,




BRIAN T. TANIGUCHI, Chair



**The Senate
Twenty-Third Legislature
State of Hawaii**

**Record of Votes of the
Committee on Ways and Means
(Bills and Resolutions)**

Measure:*	Committee Referral:	Date:
HB 1448 HD2	WAM	04/04/06
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is to:		
<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	Ayes	Ayes(WR)
Nays	Excused	
TANIGUCHI, Brian T. (C)	/	
TSUTSUI, Shan S. (VC)	/	
ENGLISH, J. Kalani	/	
ESPERO, Will	/	
FUKUNAGA, Carol	/	
HOOSER, Gary L.	/	
INOUYE, Lorraine R.	/	
KANNO, Brian		/
KIM, Donna Mercado	/	
KOKUBUN, Russell S.	/	
NISHIHARA, Clarence K.	/	
SAKAMOTO, Norman	/	
HEMMINGS, Fred		/
SLOM, Sam	/	
TRIMBLE, Gordon	/	
TOTAL	13	0
0	0	2
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
Distribution:		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency
		Goldenrod Committee File Copy

*Do not list more than one measure per Record of Votes.