

STAND. COM. REP. NO.

2314

Honolulu, Hawaii

FEB 17

, 2006

RE: S.B. No. 2488

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

Sir:

Your Committee on Transportation and Government Operations,
to which was referred S.B. No. 2488 entitled:

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

begs leave to report as follows:

The purpose of this measure is to establish an income tax
credit for the purchase of a hybrid motor vehicle.

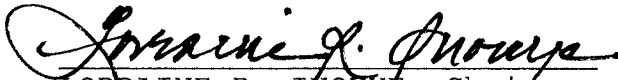
Your Committee received comments on this measure from the
Department of Taxation, Attorney General, and Tax Foundation of
Hawaii.

Your Committee finds that this measure provides an incentive
in the form of an income tax credit to encourage taxpayers to
purchase hybrid (electric and traditional fuel) motor vehicles.
The spiraling price of gasoline is spurring the demand for
hybrids. There is also a significant environmental conservation
benefit derived from hybrids.

As affirmed by the record of votes of the members of your
Committee on Transportation and Government Operations that is
attached to this report, your Committee is in accord with the
intent and purpose of S.B. No. 2488 and recommends that it pass
Second Reading and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Transportation and
Government Operations,


LORRAINE R. INOUE, Chair



