

STAND. COM. REP. NO.

2364

Honolulu, Hawaii

FOB 17

, 2006

RE: S.B. No. 3082

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

Sir:

Your Committee on Media, Arts, Science, and Technology, to which was referred S.B. No. 3082 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to provide an income tax credit for a taxpayer who rehabilitates an historic property.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Department of Taxation, the Historic Hawaii Foundation, the Honolulu Culture & Arts District Association, the Honolulu Culture & Arts District of Chinatown, and three individuals. Comments were received from the Tax Foundation of Hawaii.


According to the Department of Taxation, the estimated revenue loss pursuant to this measure would be approximately \$1,500,000 per year. The estimate is based on consultation with the Department of Land and Natural Resources.

The credit under this measure would be in an amount of twenty five per cent of qualified expenditures totaling more than \$10,000 incurred for the rehabilitation of historic property. Your Committee finds that there are many privately owned properties that qualify as historic properties or have been designated as such. Because of the age of these properties, rehabilitation is necessary to preserve the properties for the enjoyment of future generations.



As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3082 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 Media, Arts,
Science, and Technology,



CAROL FUKUNAGA, Chair



