

STAND. COM. REP. NO. 342

Honolulu, Hawaii

Feb 13, 2007

RE: H.B. No. 1277
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Economic Development & Business Concerns,
to which was referred H.B. No. 1277 entitled:

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

begs leave to report as follows:

The purpose of this bill is to stimulate investment in and revitalization of the Leeward Coast region of Oahu by expanding the Ko Olina Resort and Marina and Makaha Resort tax credit to cover expenditures for infrastructure or building improvements to commercial property used by a business within the Leeward Coast.

The Department of Taxation, Department of Business, Economic Development, and Tourism, and Office of Planning testified in support of this bill.

Your Committee understands that the developer of the Ko Olina Resort and Marina no longer needs the tax credit. However, although your Committee continues to support revitalization of the Leeward Coast, it cannot support transferring this \$75,000,000 credit for the specific purposes described in this bill without any justification for the credit amount or other due diligence. Accordingly, your Committee has amended this measure by:

- (1) Repealing the Ko Olina Resort and Marina and Makaha Resort tax credit and allowing any new tax credit for revitalization of the Leeward Coast to begin with a clean slate; and

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- (2) Changing the effective date to July 1, 2034, to encourage further discussion of the bill.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1277, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1277, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business
Concerns,



KYLE T. YAMASHITA, Chair



