

Honolulu, Hawaii

MAR 02 2007

RE: S.B. No. 798  
S.D. 3

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 798, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO DISASTER RELIEF,"

begs leave to report as follows:

The purpose of this measure is to create a one-time tax credit for victims of the October 15, 2006 earthquakes.

The Department of Defense, Department of Taxation, and Tax Foundation of Hawaii provided written comments on this measure.

Your Committee finds that this measure would provide some level of financial aid to victims of the 2006 earthquakes, as was provided by the Legislature in 2006 for flood victims. Your Committee notes the concern, however, that this measure does not include any deterrents to fraudulent claims.

In response, the Department of Defense referred to Act 110, Session Laws of Hawaii 2006, which does contain language that would require proof of damage and repair. Your Committee believes this will strengthen the measure, while still giving additional financial options for legitimate earthquake claims.

Your Committee has amended this measure, accordingly by:

- (1) Reducing the maximum tax credit per individual from \$35,000 to \$10,000; and



- (2) Requiring the taxpayer to sign a statement and provide information determined by the Department of Taxation as necessary to claim the credit under penalties of perjury.

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 S.B. No. 798, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 798, S.D. 3.

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



ROSALYN H. BAKER, Chair



