

STAND. COM. REP. NO. 345

Honolulu, Hawaii

Feb 13, 2007

RE: H.B. No. 1854
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. 1854 entitled:

"A BILL FOR AN ACT RELATING TO NEW MARKETS TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to provide new markets tax
credits to encourage investments in business and economic
development in low-income communities.

Your Committee received favorable testimony from a local
practitioner. The Department of Taxation offered comments, while
the Department of Business, Economic Development, and Tourism
submitted comments and deferred their position on the measure to
the Department of Taxation.

Your Committee finds that the new markets tax credit proposed
in this bill mirrors the federal tax credit which attracts capital
investment in low-income areas to finance community development
projects, stimulate the economy, and to create new jobs.

Your Committee has amended the measure by changing the
effective date to July 1, 2034 to encourage further discussion.

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. 1854, as amended herein, and

HB1854 HD1 HSCR LRB 07-2110.doc



recommends that it pass Second Reading in the form attached hereto as H.B. No. 1854, 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



