

Honolulu, Hawaii

Feb 12, 2008

RE: H.B. No. 2778
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Economic Development & Business Concerns,
to which was referred H.B. No. 2778 entitled:

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

begs leave to report as follows:

The purpose of this bill is to require the Department of Business, Economic Development, and Tourism (DBEDT) to conduct a comprehensive study to determine the social and economic benefits, if any, derived from state tax credits provided by the Legislature.

DBEDT testified in support of the intent of this bill. The Department of Taxation (DOTax), PacificCap Group, and Hawaii Venture Capital Association opposed this measure. The Hawaii Science & Technology Council and Tax Foundation of Hawaii offered comments.

Your Committee understands that DOTax is looking into what information can be released for the study without compromising confidentiality. Your Committee also notes that requiring the study to be completed prior to the 2009 Regular Session may be too short of a time, and defers to the Committee on Finance regarding the amount that should be appropriated for the study.



Your Committee has amended this bill by:

- (1) Changing the scope of the study to the social and economic impact of state tax credits, rather than just their benefits; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 2778, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2778, 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



State of Hawaii
House of Representatives
The Twenty-fourth Legislature

HSCR 288-08

Record of Votes of the Committee on Economic Development & Business Concerns

Bill/Resolution No.: HB 2778	Committee Referral: EDB, FIN	Date: 2/7/08		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)	✓			
2. WAKAI, Glenn (VC)	✓			
3. BERG, Lyla B., Ph.D.				✓
4. BROWER, Tom	✓			
5. CHANG, Jerry L.	✓			
6. HANOHANO, Faye P.	✓			
7. HERKES, Robert N.	✓			
8. MANAHAN, Joey	✓			
9. TSUJI, Clift	✓			
10. YAMANE, Ryan I.	✓			
11. CHING, Corinne W.L.				✓
12. MARUMOTO, Barbara C.		✓		
TOTAL (12)	9	1	0	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				