

STAND. COM. REP. NO. 873 -08

Honolulu, Hawaii

Feb 29, 2008

RE: H.B. No. 2942
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 Finance, to which was referred H.B. No. 2942 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to repeal certain tax credits and tax exemptions and require the Department of Business, Economic Development, and Tourism (DBEDT) and Department of Human Services (DHS) to evaluate those tax credits and tax exemptions and report to the Legislature as to whether they should be modified, reenacted, or repealed.

The Department of Taxation (DOTAX), Hawaii Housing Finance and Development Corporation, Hawaii Renewable Energy Alliance, Hawaii Solar Energy Association, Hawaiian Electric Company, Inc., Maui Electric Company, Hawaii Electric Light Company, Inc., Hawaii Bankers Association, and PacifiCap Group, LLC, opposed this bill. DBEDT, DHS, Hawaii Science & Technology Council, Hawaii Association of REALTORS, and EAH Housing provided comments.

Your Committee has amended this bill by:

- (1) Adding provisions for penalties for making unreasonable or fraudulent claims for a tax refund or credit;
- (2) Removing some of the tax credits and exemptions from the list to be repealed and evaluated;

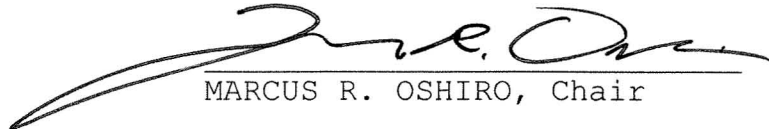
HB2942 HD1 HSCR FIN HMS 2008-2664



- (3) Allowing DOTAX to work with other agencies and contract with technical experts to conduct the evaluation and report;
- (4) Adding an appropriation for an unspecified amount for DOTAX to hire additional staff to conduct the evaluation and report; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2942, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2942, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,


MARCUS R. OSHIRO, Chair



