

Honolulu, Hawaii  
April 4, 2008

RE: S.B. No. 1934  
S.D. 1  
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 S.B. No. 1934, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to provide an added convenience to taxpayers who receive a refund by requiring the Department of Taxation (DOTAX) to allow an individual taxpayer to request that the taxpayer's refund be electronically deposited into more than one account at financial institutions.

Your Committee distributed a proposed S.B. No. 1934, H.D. 1, prior to the public hearing on this measure and requested that testimony be submitted on the proposed S.B. No. 1934, H.D. 1.

The National Association of Insurance and Financial Advisors, Hawaii Energy Policy Forum, and American Council of Life Insurers supported this bill. DOTAX and the Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by deleting its contents and inserting the substance of the proposed S.B. No. 1934, H.D. 1. As amended, this bill, among other things:

- (1) Establishes a long-term care tax credit to be applied to premium payments for long-term care insurance;



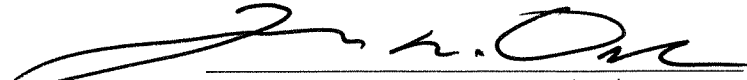
- (2) Creates an incentive for small businesses to purchase long-term care insurance for their employees by providing a tax credit for the payment of their long-term care insurance premiums;
- (3) Provides a tax credit for expenses related to an organ donation;
- (4) Provides a land conservation incentives tax credit to encourage the preservation and protection of land in the state;
- (5) Provides a tax credit equal to 15 per cent of the costs of hotel renovations;
- (6) Provides a tax credit for improvements made to federally qualified health centers;
- (7) Provides an income tax and general excise tax exemption for companies that provide potable water and are exempt under Section 501(c)(12) of the Internal Revenue Code;
- (8) Makes the renewable energy technologies tax credit refundable for taxpayers with adjusted gross incomes of \$20,000 or less, or taxpayers whose taxable income is exclusively pension or state retirement income;
- (9) Repeals the attractions and educational facilities tax credit for Ko Olina Resort and Marina and Makaha Resort; and
- (10) Provides a one-time nonrefundable tax credit to assist the victims of the December 2007 flood and wind storm in upcountry Maui and other affected areas of the 12th Representative District.

This bill has been further amended by making technical, nonsubstantive changes 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 S.B. No. 1934, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1934, S.D. 1, 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



