

Honolulu, Hawaii

March 20, 2008

RE: S.B. No. 3165
S.D. 2
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 Committees on Human Services & Housing and Health, to which was referred S.B. No. 3165, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

beg leave to report as follows:

The purpose of this bill is to encourage the development of affordable housing or a community health care facility within a mixed-used transit-oriented joint development project by exempting these projects from the general excise tax (GET).

The Hawaii Association of REALTORS, Hawaii Independent Condominium and Cooperative Owners, Hawaii Alliance for Community-Based Economic Development, and Transit-Oriented Community Based Development Project testified in support of this bill. The Department of Taxation opposed this measure. The Hawaii Housing Finance and Development Corporation (HHFDC), City and County of Honolulu Department of Planning and Permitting, and Tax Foundation of Hawaii provided comments.

Your Committees have amended this bill by:


- (1) Transferring the authority to approve and certify GET exemptions for community health care facilities from HHFDC to the Department of Health; and



- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3165, S.D. 2, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 3165, S.D. 2, H.D. 1.

Respectfully submitted on
behalf of the members of the
Committees on Human Services &
Housing and Health,



JOSHUA B. GREEN, M.D., Chair



MAILE SHIMABUKURO, Chair



