

STAND. COM. REP. NO.

2951

Honolulu, Hawaii

MAR 14 2008

RE: H.B. No. 2778
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Human Services and Public Housing, to which was referred H.B. No. 2778, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to create 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.

Testimony in support of this measure was submitted by the Department of Taxation and the National Association of Insurance and Financial Advisors Hawaii. Comments on the measure were submitted by the Tax Foundation of Hawaii.

Your Committee finds that this measure could provide a very worthwhile incentive to encourage employers to make long-term care insurance available for their employees, which would in turn reduce the future financial burden on the State for the costs of long-term care.

Your Committee notes that the Department of Taxation provided testimony identifying an issue relating to the applicability of the tax credit described by the measure to partnerships and other flow-through entities, and indicated that further comment would be submitted to the next Senate committees to hear this measure to address this particular issue.

2008-1891 SSCR SMA-1.doc



Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2008, and the applicability to taxable years beginning after December 31, 2008; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2778, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2778, H.D. 2, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

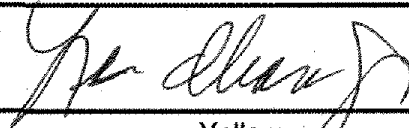
Respectfully submitted on
behalf of the members of the
Committee on Human Services and
Public Housing,


SUZANNE CHUN OAKLAND, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Human Services and Public Housing
HSP

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2778, HD2	HSP, EDT, WAM	3/13/08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
HOOSER, Gary L.				✓
SAKAMOTO, Norman	✓			
HEMMINGS, Fred				✓
TOTAL	3			2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Clerk's Office	Drafting Agency		

*Only one measure per Record of Votes