

Honolulu, Hawaii

FEB 08 2007

RE: S.B. No. 1962
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and
Affordable Housing, to which was referred S.B. No. 1962 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to provide an income tax
deduction to residential unit owner-occupants for the qualifying
costs of installation of an automatic fire sprinkler system.

Your Committee received testimony in support of this measure
from the State Fire Council, the Honolulu Fire Department, and the
Hawaii Council of Associations of Apartment Owners. Testimony in
opposition to this measure was received from the Department of
Taxation. Comments on this measure were received from the Tax
Foundation of Hawaii.

Your Committee received a fiscal impact statement from the
Department of Taxation that this measure, if passed, would result
in an annual revenue loss to the State of approximately
\$10,100,000, assuming the maximum tax credit of \$7,000 was
claimed. During the public hearing on this measure, your
Committee received testimony from the Department of Taxation that
the State would suffer up to a \$1,500,000 annual loss for every
\$1,000 claimed as a tax credit under this measure. However, the
Department of Taxation did not specify the methodology by which
the fiscal impact was calculated.



Your Committee finds that this measure encourages the installation of automatic fire sprinkler systems in residential units to mitigate the effects residential fires and prevent property damage, injuries, and deaths.

Your Committee has amended this measure by deleting the specified amount for the maximum deduction that may be claimed in order to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1962, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1962, 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 Commerce, Consumer
Protection, and Affordable
Housing,

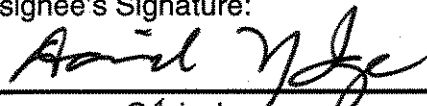


BRIAN T. TANIGUCHI, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Commerce, Consumer Protection and Affordable Housing
CPH

Bill / Resolution No.:* SB 1962	Committee Referral: CPH, EDT, WAM	Date: 2/16/17		
<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
TANIGUCHI, Brian T. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will	✓			
IHARA, Jr., Les				✓
SAKAMOTO, Norman				✓
SLOM, Sam	✓			
TOTAL	4			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