

Honolulu, Hawaii

April 29, 2008

RE: S.B. No. 2198
S.D. 2
H.D. 2
C.D. 1

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

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2198, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO LAND CONSERVATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to encourage the protection and preservation of land in the State by establishing a Land Conservation Incentives Tax Credit (Tax Credit). Specifically, this bill allows taxpayers to deduct:

- (1) Fifty percent of the value of the interest in lands donated in perpetuity or sold in a bargain sale for conservation purposes to the State or a conservation agency; or
- (2) Fifty percent of the amount invested in the management of lands for conservation purposes under an agreement with a



conservation purpose, up to \$2,500,000, from their net income tax liability.


Your Committee on Conference has amended this measure by:

- (1) Adding an amendment to section 205-45(a), Hawaii Revised Statutes, to allow the holder of an interest in agricultural land that qualifies for the land conservation incentives tax credit to petition the Land Use Commission to designate agricultural lands as important agricultural lands;
- (2) Decreasing the maximum individual donation tax credit amount from \$2,500,000 to \$1,000,000;
- (3) Decreasing the maximum land conservation tax credit from \$3,000,000 to \$1,000,000 in the aggregate for all qualified taxpayers for all years; and
- (3) Making the measure effective on July 1, 2008; provided that the measure shall be repealed on December 31, 2013.

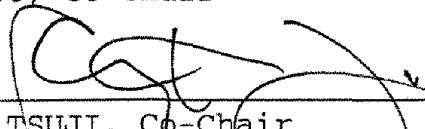
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2198, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2198, S.D. 2, H.D. 2, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE



KEN ITO, Co-Chair

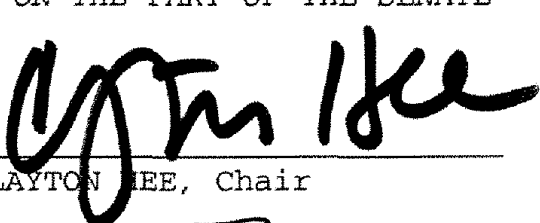


CLIFT TSUJI, Co-Chair



JON RIKI KARAMATSU, Co-Chair

ON THE PART OF THE SENATE



CLAYTON LEE, Chair



CAROL FUKUNAGA, Co-Chair



ROSALYN H. BAKER, Co-Chair



