

STAND. COM. REP. NO.

2376

Honolulu, Hawaii

FEB 15 2008

RE: S.B. No. 2757
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 Economic Development and Taxation, to which was referred S.B. No. 2757 entitled:

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

begs leave to report as follows:

The purpose of this measure is to provide a one-time nonrefundable tax credit to taxpayers who were victims of the 2007 Waialua brushfires.

Testimony in support of this measure was submitted by the Department of Defense. Comments on this measure were submitted by the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that providing those taxpayers that were harmed by the brushfires with a nonrefundable tax credit will provide them with needed tax relief and also enable them to absorb some of their expenses or costs for repairing damage from the brushfires. Your Committee further finds that those taxpayers harmed from the brushfires were located within the boundaries of Senate District twenty-two and it appears that a relatively nominal number of claims for the credit will be made since apparently only five farms were damaged from the brushfires.

Accordingly, it is the intent of your Committee to support a nonrefundable tax credit to those taxpayers who incurred expenses or costs to repair their real or personal property as a result of the Waialua brushfires in 2007.



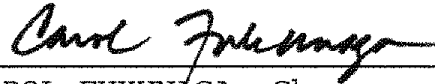
Your Committee did not receive a fiscal impact statement from the Department of Taxation for this measure because a revenue loss cannot be projected since no credit amounts have been utilized.

Accordingly, your Committee has amended this measure by:

- (1) Revising the eligible taxpayers for this nonrefundable tax credit to those harmed by the brushfires that are located within Senate District twenty-two; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2757, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2757, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Taxation,



CAROL FUKUNAGA, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Economic Development and Taxation
EDT

| | | | | |
|--|--|-------------------------|-----|----------|
| Bill / Resolution No.:* <i>SB 2757</i> | Committee Referral: <i>EDT, WAM</i> | Date: <i>2/12/08</i> | | |
| <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 |
| FUKUNAGA, Carol (C) | / | | | |
| ESPERO, Will (VC) | / | | | |
| BAKER, Rosalyn H. | / | | | |
| ENGLISH, J. Kalani | | | | / |
| IGE, David Y. | / | | | |
| SLOM, Sam | / | | | |
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| TOTAL | <i>5</i> | | | <i>1</i> |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: <i>Will Espero</i> | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

*Only one measure per Record of Votes