

STAND. COM. REP. NO.

2812

Honolulu, Hawaii

FEB 29 2008

RE: S.B. No. 3167
S.D. 2

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 3167, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO KAKAAKO,"

begs leave to report as follows:

The purpose of this measure is to provide a tax credit to certain small and light industrial businesses in the Kakaako community development district.

Specifically, this measure provides a tax credit equal to an unspecified percentage of the county industrial real property tax assessed on businesses located on property in the Kakaako community development district zoned I-1 and I-2; provided that the real property is in use for light industrial, wholesaling, or service and commercial operations in the tax year in which the tax credit is claimed and retains the industrial district designation in the year following the tax year in which the tax credit is claimed.

This measure also clarifies that the Hawaii Community Development Authority may, not shall, affix assessments against real property for district-wide improvements.

Your Committee received testimony in support of this measure from the University of Hawaii at Manoa College of Social Sciences Public Policy Center, Hawaii Alliance for Community-Based Economic Development, and Environmental Planning Solutions, LLC. The Department of Taxation submitted testimony in opposition to this

SB3167 SD2 SSCR LRB 08-2433.doc



measure and the Hawaii Community Development Authority offered comments.

Upon further consideration, your Committee has amended this measure to replace the tax credit based on an unspecified percentage of the county's industrial real property tax assessment, with a tax credit of an unspecified percentage of a taxpayer's general excise tax liability for a business within the Kakaako community development district that is located on real property designated by the county as an industrial district.

Your Committee has also amended this measure to allow the tax credit to be claimed for two years for taxable years beginning after December 31, 2007, and before January 1, 2010 and by repealing the tax credit on January 1, 2010. Finally, your Committee made technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3167, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3167, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



ROSALYN H. BAKER, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>SB3167, SD1</i>	<i>EDT, WAM</i>	<i>2/26/08</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
BAKER, Rosalyn H. (C)	/			
TSUTSUI, Shan S. (VC)				/
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
HOOSER, Gary L.				/
INOUYE, Lorraine R.	/			
KIM, Donna Mercado	/			
MENOR, Ron	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred	/			
WHALEN, Paul	/			
TOTAL	10	0	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>Donna Mercado Kim</i>				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes