

STAND. COM. REP. NO. 266

Honolulu, Hawaii

Feb 17, 2009

RE: H.B. No. 253
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Tourism, Culture, & International Affairs,
to which was referred H.B. No. 253 entitled:

"A BILL FOR AN ACT RELATING TO HOTEL RENOVATION TAX CREDIT,"

begs leave to report as follows:

The purpose of this bill is to encourage the hotel industry to improve their facilities by establishing a hotel renovation tax credit for hotels with low occupancy rates that allows a percentage of the cost incurred by the hotel for renovations to be deducted from the taxpayer's income tax liability.

The Hawaii Tourism Authority and Outrigger Hotels testified in support of this bill. The Hawaii Hotel & Lodging Association supported the intent of this measure. The Department of Taxation opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the

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intent and purpose of H.B. No. 253, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 253, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Tourism, Culture,
& International Affairs,



JOEY MANAHAN, Chair



