

STAND. COM. REP. NO. 1730

Honolulu, Hawaii

April 9, 2009

RE: S.B. No. 1248
S.D. 1
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 Finance, to which was referred S.B. No. 1248, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO STATE ENTERPRISE ZONES,"

begs leave to report as follows:

The purpose of this bill is to improve the State Enterprise Zone (EZ) Program by, among other things:

- (1) Inserting limited liability companies under the definition of "qualified business" and "service business";
- (2) Allowing the receipts, sales, and employees of a business's establishments in all enterprise zones located within a single county to count toward qualification requirements; and
- (3) Extending EZ Program tax incentives for seven additional years for qualified businesses engaged in manufacturing tangible personal property, or producing or processing agricultural products.

The Department of Taxation, Department of Business, Economic Development, and Tourism, and Hawaii Crop Improvement Association opposed this bill. The Department of Agriculture, Tax Foundation of Hawaii, Hawaiian Electric Company and its subsidiaries Maui

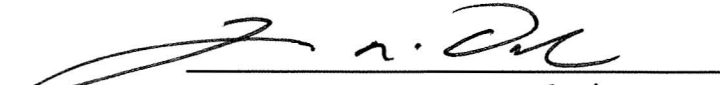
SB1248 HD1 HSCR FIN HMS 2009-3723



Electric Company and Hawaii Electric Light Company, and a concerned individual submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1248, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



