

HB 1583

Linda Lingle
GOVERNOR



KAREN SEDDON
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
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IN REPLY REFER TO

**Statement of
Karen Seddon**
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON WAYS AND MEANS

April 6, 2009, 9:30 a.m.
Room 211, State Capitol

In consideration of
H.B. 1583, H.D.1
RELATING TO TAXATION.

The HHFDC has the following comments on H.B. 1583, H.D. 1, which limits business credits against net income tax liability to 75 percent of the taxpayers' tax liability in the taxable year in which the credit is claimed. We defer to the Department of Taxation as to the remainder of this bill.

The proposed HRS §235-(e)(9) excepts from the proposed tax credit reduction the State low-income housing tax credit under section 235-110.8, but does not except the low-income housing income tax credit for banks and financial institutions under section 241-4.7. Because banks and financial institutions are major users of the State low-income housing tax credit, a reduction in their ability to utilize these credits fully will negatively affect the value of these credits to affordable rental housing project developers.

Thank you for the opportunity to offer comments.

kim4 - Elizabeth

From: Joel Fischer [jfischer@hawaii.edu]
Sent: Saturday, April 04, 2009 2:40 PM
To: WAM Testimony
Subject: HB1583;WAM:4/6/09;9:30AM;Rm221

PLEASE PASS THIS BILL!

I am opposed to the extension of tax credits for one reason: **Tax credits are a fraud!** All the research on ways of stimulating an economy shows that tax credits are the worse way of doing so. For example, look at the results of Act 221: almost \$800 million in tax credits, only a few thousand jobs created. Are you kidding me? We can do much better by simply giving the money to people who need it to get them of welfare or put them to work using those funds!

Tax credits do not stimulate our local economy because there are no multiplier effects; the money does not get recirculated in Hawai'i; most goes out of state!

Tax credits are the way the rich get richer by feeding off the trough of public funds!

Please stop this enormous leak of our monies.

Aloha, joel

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"It is reasonable that everyone who asks justice should DO justice."
Thomas Jefferson

"There comes a time when one must take a position that is neither safe, nor politic, nor popular, but one must take it because one's conscience tells one that it is right."
Dr. Martin Luther King, Jr.

"Never, never, never quit."
Winston Churchill