

***LATE***

**HB 1739**

**Gina Williams**

L A T E T E S T I M O N Y

**From:** B Shafer [iatse665leg@gmail.com]  
**Sent:** Monday, March 23, 2009 5:26 PM  
**To:** Sen. Donna Mercado Kim; Sen. Shan Tsutsui  
**Subject:** Oppose HB 1739 HD 1 and Section 8 of SD 1

March 23, 2009

State Senate Way and Means Committee

Senator Donna Mercado Kim, Chair

Senator Shan Tsutsui, Vice Chair

And Members of the Committee

John Quincy Adams

85.175 Apt. C409 Farrington Highway

Waianae, Hawaii 96792

808.783.6962

RE: Strong Opposition to HB 1739 HD1, and Section 8 of SD1; Relating to Taxation

Aloha Chairperson Mercado-Kim, Vice Chair Tsutsui and members of the Committee;

As a member of Local 665, International Alliance of Theatrical and Stage Employees (IATSE), the union that does entertainment. I do not support the intention of HB 1739 HD1 and Section 8 of SD1.

Respectfully submitted,

*John Quincy Adams*

Medic/Marine

**Gina Williams**

---

**From:** B Shafer [ijatse665leg@gmail.com]  
**Sent:** Monday, March 23, 2009 5:33 PM  
**To:** Sen. Donna Mercado Kim; Sen. Shan Tsutsui  
**Subject:** Oppose HB 1739 HD1 and Section 8 of SD 1

March 23, 2009

State Senate Way and Means Committee

Senator Donna Mercado Kim, Chair

Senator Shan Tsutsui, Vice Chair

And Members of the Committee

Dayne Ahuna

45.677 Halekoa Road

Kaneohe, Hawaii 96744

808.634.0987

RE: Strong Opposition to HB 1739 HD1, and Section 8 of SD1; Relating to Taxation

Aloha Chairperson Mercado-Kim, Vice Chair Tsutsui and members of the Committee;

As a member of Local 665, International Alliance of Theatrical and Stage Employees (IATSE), the union that does entertainment. I do not support the intention of HB 1739 HD1 and Section 8 of SD1.

Respectfully submitted,

*Dayne H.L. Ahuna*

**Gina Williams**

**LATE TESTIMONY**

**From:** B Shafer [jatse665leg@gmail.com]  
**Sent:** Monday, March 23, 2009 5:09 PM  
**To:** Sen. Shan Tsutsui; Sen. Donna Mercado Kim  
**Subject:** Opposition to HB 1739 HD1 and Section 8 of SD 1 (relating to taxation)

March 23, 2009

State Senate Way and Means Committee

Senator Donna Mercado Kim, Chair

Senator Shan Tsutsui, Vice Chair

And Members of the Committee

Richard Drake

RE: Strong Opposition to HB 1739 HD1, and Section 8 of SD1; Relating to Taxation

Aloha Chairperson Mercado-Kim, Vice Chair Tsutsui and members of the Committee;

As a member of Local 665, International Alliance of Theatrical and Stage Employees (IATSE), the union that does entertainment. I do not support the intention of HB 1739 HD1 and Section 8 of SD1.

Respectfully submitted,

*Richard Drake*

Prop Master

**Gina Williams**

LATE TESTIMONY

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**From:** B Shafer [iatse665leg@gmail.com]  
**Sent:** Monday, March 23, 2009 5:37 PM  
**To:** Sen. Donna Mercado Kim; Sen. Shan Tsutsui  
**Subject:** Oppose HB 1739 HD1 and Section 8 of SD1

March 23, 2009

State Senate Way and Means Committee

Senator Donna Mercado Kim, Chair

Senator Shan Tsutsui, Vice Chair

And Members of the Committee

Fern Ahuna

PO Box 701179

Kapolei, Hawaii 96709

808.6209881

RE: Strong Opposition to HB 1739 HD1, and Section 8 of SD1; Relating to Taxation

Aloha Chairperson Mercado-Kim, Vice Chair Tsutsui and members of the Committee;

As a member of Local 665, International Alliance of Theatrical and Stage Employees (IATSE), the union that does entertainment. I do not support the intention of HB 1739 HD1 and Section 8 of SD1.



Respectfully submitted,

*Fern Ahuna*

Special Effects Master

**Gina Williams**

# LATE TESTIMONY

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**From:** B Shafer [iatse665leg@gmail.com]  
**Sent:** Monday, March 23, 2009 5:42 PM  
**To:** Sen. Donna Mercado Kim; Sen. Shan Tsutsui  
**Subject:** Oppose HB 1739 HD 1 and Section 8 of SD1

March 23, 2009

State Senate Way and Means Committee

Senator Donna Mercado Kim, Chair

Senator Shan Tsutsui, Vice Chair

And Members of the Committee

Alvin Akiu Jr.

94.367 Kuanalio Way

Mililani, Hawaii 96789

808.625.1291

RE: Strong Opposition to HB 1739 HD1, and Section 8 of SD1; Relating to Taxation

Aloha Chairperson Mercado-Kim, Vice Chair Tsutsui and members of the Committee;

As a member of Local 665, International Alliance of Theatrical and Stage Employees (IATSE), the union that does entertainment. I do not support the intention of HB 1739 HD1 and Section 8 of SD1.

Respectfully submitted,

*Alvin Akin Jr.*

Greens

**Gina Williams**

## LATE TESTIMONY

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**From:** B Shafer [iatse665leg@gmail.com]  
**Sent:** Monday, March 23, 2009 5:45 PM  
**To:** Sen. Donna Mercado Kim; Sen. Shan Tsutsui  
**Subject:** Oppose HB 1739 HD1 and Section 8 of SD1

March 23, 2009

State Senate Way and Means Committee

Senator Donna Mercado Kim, Chair

Senator Shan Tsutsui, Vice Chair

And Members of the Committee

Frank Atienza

94.819 Farrington Highway Apt A-4

Waipahu, Hawaii 96797

808.754.7502

RE: Strong Opposition to HB 1739 HD1, and Section 8 of SD1; Relating to Taxation

Aloha Chairperson Mercado-Kim, Vice Chair Tsutsui and members of the Committee;

As a member of Local 665, International Alliance of Theatrical and Stage Employees (IATSE), the union that does entertainment. I do not support the intention of HB 1739 HD1 and Section 8 of SD1.

Respectfully submitted,

*Frank Atienza*

Props

# LATE TESTIMONY

**Gina Williams**

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**From:** B Shafer [iatse665leg@gmail.com]  
**Sent:** Monday, March 23, 2009 5:47 PM  
**To:** Sen. Donna Mercado Kim; Sen. Shan Tsutsui  
**Subject:** Oppose HB 1739 HD 1 and Section 8 of SD 1

March 23, 2009

State Senate Way and Means Committee

Senator Donna Mercado Kim, Chair

Senator Shan Tsutsui, Vice Chair

And Members of the Committee

Benjamin Shafer  
52.210 Kamehameha Highway  
Hauula, Hawaii 96717  
808.222..3138

RE: Strong Opposition to HB 1739 HD1, and Section 8 of SD1; Relating to Taxation

Aloha Chairperson Mercado-Kim, Vice Chair Tsutsui and members of the Committee;

As a member of Local 665, International Alliance of Theatrical and Stage Employees (IATSE), the union that does entertainment. I do not support the intention of HB 1739 HD1 and Section 8 of SD1.

Respectfully submitted,

*Benjamin Shafer*

Stage and Production

# LATE TESTIMONY

**Gina Williams**

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**From:** B Shafer [iatse665leg@gmail.com]  
**Sent:** Monday, March 23, 2009 5:51 PM  
**To:** Sen. Donna Mercado Kim; Sen. Shan Tsutsui  
**Subject:** Oppose HB 1739 HD 1 and Section 8 of SD 1

March 23, 2009

State Senate Way and Means Committee

Senator Donna Mercado Kim, Chair

Senator Shan Tsutsui, Vice Chair

And Members of the Committee

Steven Bacquet

910 Ahana St. Apt. 207

Honolulu, Hawaii 96814

808.221.9316

RE: Strong Opposition to HB 1739 HD1, and Section 8 of SD1; Relating to Taxation

Aloha Chairperson Mercado-Kim, Vice Chair Tsutsui and members of the Committee;

As a member of Local 665, International Alliance of Theatrical and Stage Employees (IATSE), the union that does entertainment. I do not support the intention of HB 1739 HD1 and Section 8 of SD1.



Respectfully submitted,

*Stephen J. P. Bacquet*

Set Lighting

# LATE TESTIMONY

**Gina Williams**

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**From:** B Shafer [ijatse665leg@gmail.com]  
**Sent:** Monday, March 23, 2009 5:55 PM  
**To:** Sen. Donna Mercado Kim; Sen. Shan Tsutsui  
**Subject:** Oppose HB 1739 HD1 and Section 8 of SD 1

March 23, 2009

State Senate Way and Means Committee

Senator Donna Mercado Kim, Chair

Senator Shan Tsutsui, Vice Chair

And Members of the Committee

Cory Bathke

2092 Kuhio Ave. Apt. 1202

Honolulu, Hawaii 96815

808.699.0771

RE: Strong Opposition to HB 1739 HD1, and Section 8 of SD1; Relating to Taxation

Aloha Chairperson Mercado-Kim, Vice Chair Tsutsui and members of the Committee;

As a member of Local 665, International Alliance of Theatrical and Stage Employees (IATSE), the union that does entertainment. I do not support the intention of HB 1739 HD1 and Section 8 of SD1.

Respectfully submitted,

*Cory Bathke*

**Gina Williams**

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**From:** B Shafer [iatse665leg@gmail.com]  
**Sent:** Monday, March 23, 2009 6:00 PM  
**To:** Sen. Donna Mercado Kim; Sen. Shan Tsutsui  
**Subject:** Oppose HB 1739 HD1 and Section 8 of SD 1

March 23, 2009

State Senate Way and Means Committee

Senator Donna Mercado Kim, Chair

Senator Shan Tsutsui, Vice Chair

And Members of the Committee

Cary Beall

2029 Nuuanu Ave. Apt. 507

Honolulu, HI. 96817

808.271.3221

RE: Strong Opposition to HB 1739 HD1, and Section 8 of SD1; Relating to Taxation

Aloha Chairperson Mercado-Kim, Vice Chair Tsutsui and members of the Committee;

As a member of Local 665, International Alliance of Theatrical and Stage Employees (IATSE), the union that does entertainment. I do not support the intention of HB 1739 HD1 and Section 8 of SD1.

Respectfully submitted,

*Cory Beall*

**Gina Williams**

---

**From:** B Shafer [iatse665leg@gmail.com]  
**Sent:** Monday, March 23, 2009 6:07 PM  
**To:** Sen. Donna Mercado Kim; Sen. Shan Tsutsui  
**Subject:** Oppose HB 1739 HD 1 and Section 8 of SD 1

March 23, 2009

State Senate Way and Means Committee

Senator Donna Mercado Kim, Chair

Senator Shan Tsutsui, Vice Chair

And Members of the Committee

Guy Belegaud

801 S. King St. Apt 4010

Honolulu, HI. 96813

808.348.4242

RE: Strong Opposition to HB 1739 HD1, and Section 8 of SD1; Relating to Taxation

Aloha Chairperson Mercado-Kim, Vice Chair Tsutsui and members of the Committee;

As a member of Local 665, International Alliance of Theatrical and Stage Employees (IATSE), the union that does entertainment. I do not support the intention of HB 1739 HD1 and Section 8 of SD1.

Respectfully submitted,

*Guy Belegand*

Head Carpenter

**Gina Williams**

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**From:** B Shafer [iatse665leg@gmail.com]  
**Sent:** Monday, March 23, 2009 6:10 PM  
**To:** Sen. Donna Mercado Kim; Sen. Shan Tsutsui  
**Subject:** Oppose HB 1739 HD1 and Section 8 of SD 1

March 23, 2009

State Senate Way and Means Committee

Senator Donna Mercado Kim, Chair

Senator Shan Tsutsui, Vice Chair

And Members of the Committee

Chantel BoomLa

1154 Mokapu Blvd.

Kailua, HI. 96734

808.2843225

RE: Strong Opposition to HB 1739 HD1, and Section 8 of SD1; Relating to Taxation

Aloha Chairperson Mercado-Kim, Vice Chair Tsutsui and members of the Committee;

As a member of Local 665, International Alliance of Theatrical and Stage Employees (IATSE), the union that does entertainment. I do not support the intention of HB 1739 HD1 and Section 8 of SD1.

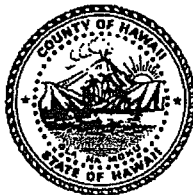


Respectfully submitted,

*Chantel BoomLa*

Make-Up Artist

William P. Kenoi  
Mayor



Stephen J. Arnett  
Housing  
Administrator

County of Hawaii  
OFFICE OF HOUSING AND  
COMMUNITY DEVELOPMENT  
50 Wailuku Drive • Hilo, Hawai'i 96720-2484  
V/TT (808) 961-8379 • FAX (808) 961-8685

March 24, 2009

The Honorable Donna Mercado Kim  
The Honorable Shan S. Tsutsui  
and Committee Members  
Committee on Ways and Means

Twenty-Fifth Legislature  
Regular Session of 2009


SUBJECT: **House Bill 1739 HD1**  
**Hearing Date: 3/24/09**  
**Time: 9:30 AM**  
**Conference Room: 211**

The Office of Housing and Community Development (OHCD) **opposes** House Bill 1739 HD1.

The repeal of state Low Income Housing Tax Credits would preclude recipients of resources, such as federal Low Income Housing Tax Credits (LIHTC) and Community Development Block Grants, from receiving state LIHTC. The combination of federal and state LIHTC (and even other sources of funding) is often needed to successfully finance the development of low-income rental housing projects that would otherwise not be financially feasible.

The financing of affordable, low-income rental housing has been severely hampered due to the current credit crisis in the private financing markets. HB 1739 HD1 would further challenge the capacity of developers in providing affordable housing during an anticipated time of great need.

The OHCD respectfully requests the Committee to oppose HB 1739 HD1. Thank you for your careful consideration of the negative impacts of this bill.

*for*  
  
Stephen J. Arnett  
Housing Administrator

## kim2 - Arline

---

**From:** Brian Barnhart [brianbarnhart@hotmail.com]  
**Sent:** Tuesday, March 24, 2009 9:14 AM  
**To:** WAM Testimony  
**Subject:** Re: Testimony in Strong Opposition to HB1739 HD1 and Section 8 of SD1 Proposed - Relating to Taxation

TO: Senate Committee on Ways and Means  
Senator Donna Mercado Kim, Chair  
Senator Shan S. Tsutsui, Vice Chair  
FROM: Brian Barnhart

Re: Testimony in Strong Opposition to HB1739 HD1 and Section 8 of SD1 Proposed - Relating to Taxation  
Aloha Chair, Vice Chair and Members of the Committee,

Thank you for the opportunity to submit testimony in strong opposition to HB1739 HD1 and Section 8 of SD1 Proposed. I am one of the many workers employed in the high tech industry in Hawaii. This job is the result of the incentives provided by Act 221 to encourage high tech companies to come to Hawaii to do business. Act 221 has been successful and in these serious economic times, the state should do more to encourage the growth of this industry so that more people can come home and work. This bill will do just the opposite - it will stop investment dollars which support the establishment and growth of local high tech companies.

Mahalo for the opportunity to submit this testimony in strong opposition to this bill.

Sincerely,

Brian Barnhart

**Media Operations Manager**

**Hyperspective Studios, Inc.**

875 Waimanu St. #217

Honolulu, HI 96813

ph: 808.741.1292

fax: 808.593.4477

[todd@hyperspective.com](mailto:todd@hyperspective.com)

---

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**From:** Todd Robertson [todd@hyperspective.com]  
**Sent:** Tuesday, March 24, 2009 9:06 AM  
**To:** WAM Testimony  
**Subject:** Testimony in Strong Opposition to HB1739 HD1 and Section 8 SD1 Proposed - Relating to Taxation



HB1739 HD1 SD1 Proposed- Relating to Taxation

DATE: March 24, 2009  
TIME: 9:30am  
PLACE: Room 211

TO: Senate Committee on Ways and Means  
Senator Donna Mercado Kim, Chair  
Senator Shan S. Tsutsui, Vice Chair

FROM: Todd J. Robertson  
President/CEO  
Hyperspective Studios, Inc.

Re: Testimony in Strong Opposition to HB1739 HD1 and Section 8 SD1 Proposed - Relating to Taxation

Chair, Vice-Chair and Committee Members:

Thank you for the opportunity to submit testimony in strong opposition to HB1739 HD1 and Section 8 of SD1 Proposed.

Federal grants play a critical role in a variety of Hawaii companies from science and technology companies to low-income housing developers. In the science and technology sector grants come from a range of Federal sources including the Department of Defense, NIH, NSF, Department of Energy, Homeland Security, and the Department of Agriculture. However, science and technology federal grants are restricted to only research and development activities and may not be used for commercialization which is critical to long term success. Through leveraging federal grants the state receives a greater return on investment, and companies are able to accelerate commercialization through the use of complementary and unrestricted Act 221/215 funds. In addition, these technologies and companies have been vetted by the federal agencies and are therefore more likely to develop successful products. Finally, the language of the bill is vague and confusing and may have unintended consequences which negatively impact the growth of Hawaii's tech companies. Therefore, we strongly oppose this bill.

Hyperspective Studios produces media, specializing in 3D animation, video, Internet applications, interactive materials and games. The company currently has four employees, but intends to greatly expand its employee base this year in development of an animated children's show with an educational focus.

Hyperspective intends to be a strong part of a growing animation industry and is focused on developing new jobs and a strong, sustainable business in the State of Hawaii. Our company will not have a chance at success without Act 221 incentives in place, and would therefore not have the ability to offer jobs to Hawaii graduates.

Furthermore, the majority of our current client-base are companies that only exist due to the Act 221 incentives. The current discussions have slowed and stopped investors from giving money to companies, and has already made a major negative impact on our business, as we have lost two people this year already. If Act 221 is gone or has major limits, the high tech industry in Hawaii will not survive.

Thank you for the opportunity to testify.

**Todd Robertson,**  
President/CEO  
**Hyperspective Studios, Inc.**  
875 Waimanu St. #217  
Honolulu, HI 96813  
ph: 808.741.1292  
fax: 808.593.4477  
todd@hyperspective.com

Visit the Hyperspective Studios website  
[www.hyperspective.com](http://www.hyperspective.com)



LEAGUE OF  
WOMEN VOTERS  
OF HAWAII

49 SOUTH HOTEL STREET, ROOM 314 HONOLULU, HAWAII 96813 PHONE (808) 531-7448

March 24, 2009

Honorable Donna Mercado Kim  
Chair, Committee on Ways and Means  
Room 210  
State Capitol

Re: House Bill 1739 Relating to Housing

Dear Senator Kim and Members of the Committee:

The League of Women Voters of Hawaii supports any and all legislation that will enable us to retain and enlarge the stock of affordable shelter in Hawaii. This bill seriously impairs that mission by prohibiting recipients of federal grants from qualifying for state tax credits. Since tax credits are a major source of funding for affordable housing in Hawaii, we respectfully request that State Low-Income Housing Tax Credits be exempted from this bill.

We further note that under the American Recovery and Reinvestment Act of 2009, the HHFDC will receive Federal HOME funds to provide grants to owners of Low-Income Housing Tax Credit projects that stalled due to the downturn in the financial market. This bill will negatively impact the affordable rental projects that will be assisted by the American Recovery and Reinvestment Act of 2009.

Although the State may be in tough financial circumstances, our most vulnerable citizens should not be made to bear the heaviest burden.

Thank you for this opportunity to testify.

Jacqueline Parnell, President  
League of Women Voters of Hawaii

## LATE TESTIMONY

HB1739 HD1 SD1 Proposed - Relating to Taxation

DATE: March 24, 2009

TIME: 9:30am

PLACE: Conference Room 211

TO: Senate Committee on Ways and Means

Senator Donna Mercado Kim, Chair

Senator Shan S. Tsutsui, Vice Chair

FROM: Cynthia Hirsch

Re: Testimony in Strong Opposition to HB1739 HD1 and Section 8 of SD1 Proposed -  
Relating to Taxation

Aloha Chair, Vice Chair and Members of the Committee,

Thank you for the opportunity to submit testimony in strong opposition to HB1739 HD1  
and Section 8 of SD1 Proposed.

**My daughter and son-in-law are two of the many workers employed in the high tech industry in Hawaii. This job is the result of the incentives provided by Act 221 to encourage high tech companies to come to Hawaii to do business. Act 221 has been successful and in these serious economic times, the state should do more to encourage the growth of this industry so that more people can come home and work. This bill will do just the opposite - it will stop investment dollars which support the establishment and growth of local high tech companies.**

Mahalo for the opportunity to submit this testimony in strong opposition to this bill.

Sincerely,

**Cynthia Hirsch**



March 24, 2009

The Honorable Donna Mercado Kim, Chair  
 And Members of the Ways and Means Committee  
 State House of Representatives  
 Hawai'i State Capitol  
 415 South Beretania Street; Room 210  
 Honolulu, Hawai'i 96813

Dear Chair Kim and Committee Members

Subject: House Bill No. 1739 SD1 - Related to Taxation

**The Mutual Housing Association of Hawai'i, Inc. ("Mutual Housing") opposes House Bill No. 1739 SD1** as drafted because it will adversely impact the development of affordable rental housing by prohibiting recipients of federal grants from utilizing Hawaii State tax credits which include the State Low-Income Housing Tax Credit ("LIHTC") program. We respectfully request that Section 8 to the bill be excluded from the Proposed SD1.

As an owner and developer of affordable rental housing, we can attest to the critical need for a permanent and dedicated source of funding to build new rental housing. The equity funding provided by the State's LIHTC program allows developers to leverage federal funding programs such as the HOME and the Community Development Block ("CDBG") programs. Without the ability to leverage multiple programs, the effectiveness of the State LIHTC is greatly diminished.

It will take years to develop the projects to meet all of the need in the state. The State LIHTC program is a critical tool in helping organizations like Mutual Housing address our affordable rental shortage.

Thank you for the opportunity to provide this testimony.

Sincerely,

David M. Nakamura  
 Executive Director

**CENTRAL OFFICE**

Pioneer Plaza  
 900 Fort Street Mall, Suite 1690  
 Honolulu, Hawai'i 96813

Tel: (808) 550-0804  
 Fax: (808) 550-0607  
 E-mail: [mhah@mutual-housing.org](mailto:mhah@mutual-housing.org)

**PROPERTIES**

Lihu'e Court Townhomes  
 Kekaulike Courtyards  
 Palolo Homes

**BOARD OFFICERS**

Dee Dee Letts  
 President

Warren G. Haight  
 Vice-President

Jan Naoc Sullivan  
 Secretary

Dee Darby  
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**BOARD OF DIRECTORS**

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 Naomi Sakamoto  
 Kelly Walsh

**BOARD OF ADVISORS**

Richard S. Koenig  
 Oswald Stender

**EXECUTIVE DIRECTOR**

David M. Nakamura





**kim2 - Arline**

---

**From:** Ty Aldinger [captainty@hawaii.rr.com]  
**Sent:** Tuesday, March 24, 2009 7:06 AM  
**To:** WAM Testimony  
**Subject:** Testimony in Strong Opposition to HB1739 HD1 and Section 8 of SD1 Proposed - Relating to Taxation

HB1739 HD1 SD1 Proposed - Relating to Taxation

LATE TESTIMONY

DATE: March 24, 2009  
TIME: 9:30am  
PLACE: Conference Room 211

TO: Senate Committee on Ways and Means  
Senator Donna Mercado Kim, Chair  
Senator Shan S. Tsutsui, Vice Chair

FROM: Ty Aldinger

Re: Testimony in Strong Opposition to HB1739 HD1 and Section 8 of SD1 Proposed - Relating to Taxation

Aloha Chair, Vice Chair and Members of the Committee,

Thank you for the opportunity to submit testimony in strong opposition to HB1739 HD1 and Section 8 of SD1 Proposed.

I am one of the many workers employed in the high tech industry in Hawaii. This job is the result of the incentives provided by Act 221 to encourage high tech companies to come to Hawaii to do business. Act 221 has been successful and in these serious economic times, the state should do more to encourage the growth of this industry so that more people can come home and work. This bill will do just the opposite - it will stop investment dollars which support the establishment and growth of local high tech companies.

Mahalo for the opportunity to submit this testimony in strong opposition to this bill.

Sincerely,

W. Tyson Aldinger

# Cellular Bioengineering, Inc.

*Invent. Disrupt. Inspire.*

HB1739 HD1 SD1 Proposed – Relating to Taxation

LATE TESTIMONY

Date: March 24, 2009  
Time: 9:30 a.m.  
Place: Conference Room 211

To: Senate Committee on Ways and Means  
The Honorable Donna Mercado Kim, Chair  
The Honorable Shan S. Tsutsui, Vice Chair

From: Dr. Kevin Chinn

Re: Testimony in Strong Opposition to HB1739 HD1 and Section 8 of SD1 Proposed –  
Relating to Taxation

Aloha Chair, Vice Chair and Members of the Committee,

Thank you for the opportunity to submit testimony in strong opposition to HB1739 HD1 and Section 8 of SD1 Proposed.

I am one of many workers employed in the high tech industry in Hawaii. This job is the result of the incentives provided by Act 221 to encourage high tech companies to come to Hawaii to do business. Act 221 has been successful and in these serious economic times, the state should do more to encourage the growth of this industry so that more people can come home and work. This bill will do just the opposite – it will stop investment dollars which support the establishment and growth of local high tech companies.

Sincerely,

Kevin Chinn, Ph.D.  
Sr. Research Scientist  
Cellular Bioengineering, Inc.  
1946 Young St., Suite 480  
Honolulu, Hawaii 96826  
phone: 808 949-2208  
fax: 808 949-2209  
kschin@cellularbioengineering.com

1946 Young Street, Suite 288 · Honolulu, Hawaii 96826  
Ph: 808.949.2208 · Fax: 808.949.2209  
[www.cellularbioengineering.com](http://www.cellularbioengineering.com)

# LATE TESTIMONY

**Natalie J. Iwasa, CPA, Inc.**  
**1331 Lunalilo Home Road**  
**Honolulu, HI 96825**  
**808-395-3233**

DATE: March 23, 2009

TO: Senator Donna Mercado Kim, Chair  
Senator Shan Tsutsui, Vice Chair  
Members of the Senate Committee on Ways and Means

HEARING DATE: 9:30 a.m. Tuesday, March 24, 2009

SUBJECT: Opposition to HB 1739 Proposed SD1 - Relating to Taxation

Aloha Chair Kim and Members of the Committee,

This bill attempts to bring Hawaii law into conformity with the Internal Revenue Code and would require the imposition of penalties on tax preparers for understatements due to unrealistic positions. It also includes other tax provisions. I urge you to oppose this bill for the following reasons.

Penalties would be assessed for understatement of a taxpayer's liability. Under section 231-A(c), this occurs when part of the return is based on a position that does not have substantial authority, the preparer knew or should have known about the unreasonable position and the position was not disclosed on the return. While "substantial authority" is defined in this bill, there are a number of areas in which little or no guidance has been issued by the Department of Tax. This may lead to confusion on the part of tax preparers as to what is required to be disclosed as well as create an unfair situation for both the taxpayer and preparer.

In addition, taxpayers and preparers have additional resources, e.g., Appeals Office, to settle disputes at the federal level. Hawaii does not have an equivalent process.

I respectfully ask that you vote in opposition to this bill.

Sincerely,



Natalie Iwasa, CPA

# LATE TESTIMONY

**kim2 - Arline**

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**From:** Wendi Hirsch [wmhirsch@gmail.com]  
**Sent:** Monday, March 23, 2009 9:23 PM  
**To:** WAM Testimony  
**Subject:** HB1739 HD1 SD1 Proposed - Relating to Taxation

HB1739 HD1 SD1 Proposed - Relating to Taxation

DATE: March 24, 2009

TIME: 9:30am

PLACE: Conference Room 211

TO: Senate Committee on Ways and Means

Senator Donna Mercado Kim, Chair

Senator Shan S. Tsutsui, Vice Chair

FROM: Dr. Wendi Hirsch

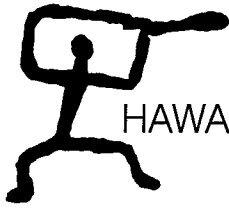
Re: Testimony in Strong Opposition to HB1739 HD1 and Section 8 of SD1 Proposed - Relating to Taxation  
Aloha Chair, Vice Chair and Members of the Committee,

Thank you for the opportunity to submit testimony in strong opposition to HB1739 HD1 and Section 8 of SD1 Proposed.

My sister is one of the many workers employed in the high tech industry in Hawaii. This job is the result of the incentives provided by Act 221 to encourage high tech companies to come to Hawaii to do business. Act 221 has been successful and in these serious economic times, the state should do more to encourage the growth of this industry so that more people can come home and work. This bill will do just the opposite - it will stop investment dollars which support the establishment and growth of local high tech companies. Mahalo for the opportunity to submit this testimony in strong opposition to this bill.

Sincerely,  
Dr. Wendi M. Hirsch

# LATE TESTIMONY



HAWAII LEEWARD PLANNING CONFERENCE  
P.O. BOX 2159 • KAMUELA, HAWAII 96743-2159

Testimony in Opposition to  
House Bill No. 1739, HD1 SD1

Tuesday, 24 March 2009  
9:30 a.m. - Conference Room 211

Presented before  
Senate Committee on Ways and Means

Aloha Chair Mercado Kim, Vice Chair Tsutsui, and members of the Committee on  
Ways and Means

Hawaii Leeward Planning Conference (HLPC) respectfully submits this testimony in  
opposition to HB1739 HD1 and Section 8 of SD1 Proposed.

In its thirty-five year history, HLPC has consistently advocated for sound planning decisions  
to promote long-term benefits for Hawai'i Island. Through these efforts, we recognize the  
critical role that federal grants have in supporting companies committed to a variety of  
areas ranging from low-income housing to science and technology. These companies all  
contribute to diversifying and strengthening Hawaii's economy, workforce, education fields  
while simultaneously helping to ensure that Hawaii maintains pace with the increasingly  
competitive global market.

The science and technology sector receives grants from a wide range of federal sources  
including and not limited to, the National Institute of Health, National Science Foundation,  
and Departments of Defense, Energy, Homeland Security, and Agriculture. Such federal  
grants are restricted to research and development activities exclusively and may not be used  
for commercialization which is critical to a company's long-term success. By leveraging  
federal grants, the State of Hawaii receives a greater return on its investment and  
companies are able to accelerate commercialization through the use of unrestricted Act  
221/215 funds.

Additionally since these technologies and companies are both vetted by the federal  
agencies, the likelihood of success is improved.

Finally, we are very concerned about the potential to intensify the negative impact on  
Hawaii's science and technology businesses and efforts through unintended consequences  
that may result from the vague and confusing language of the bill.

HLPC strongly opposes this bill and thanks you for the opportunity to voice our concerns.

Respectfully submitted,

Jacquie L. Hoover, President

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REGULAR SESSION OF 2009  
SENATE COMMITTEE ON WAYS AND MEANS

9:30 AM - Conference Room 211

### ***HB 1739, HD1, SD1 - RELATING TO TAXATION***

Chair Sen. Donna Mercado Kim, V. C. Sen. Shan S. Tsutsui and Committee Members:

Good Morning. My name is Dante Carpenter, Director of Public Affairs for Carbon Diversion, Inc. (CDI). CDI strongly opposes HB 1739, HD 1, SD1, which while ostensibly reining in perceived excesses of Act 221/215, in fact, effectively helps to emasculate it! We still believe the economic stimulus afforded by Act 221/215 is needed now more than ever! Unexpurgated, please! Consider it a "hand up" versus "hand out!"

What possible good does a limitation on the number of qualifying business serve by either capping investment credits, diminishing or eliminating federal funding supports or scrapping the very incentives that invite or encourage businesses to come into existence in the first place?? Has Hawaii reached that enviable stage that we have already attained self-sufficiency in economic development? Do we have too many jobs? Is there too much money already invested in Hawaii?

Please don't let short-term thinking compromise long-term objectives. ACT 221/215 Tax incentives provided responsive and responsible legislation in 2001 and 2003, respectively. And, they were created for Hawaii to expand business opportunities in activities other than Tourism, (at all time low) the Military, (beyond Hawaii control) and local and state governments.

Carbon Diversion Inc. is a local Hawaiian company that has not yet used its allowed credits under Act 221/215 and is on the "cusp" of success, and should be allowed to succeed or not on its own merits without risk of loss of investor confidence by the changes proposed!

Let the entrepreneurs do their thing, and everyone will benefit. Meanwhile, we strongly urge you to scrap section 8 of HB 1739 in its entirety, *OR, File bill HB1739, HD1, SD1 and pursue HB1451, HD1 (SD1) version that recommended a public-private-partnership review panel to focus on the small number of activities counter-productive to tax incentives specifically for High Technology purposes!*

Thank you very much