

LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR



KURT KAWAFUCHI
DIRECTOR OF TAXATION

SANDRA L. YAHIRO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809

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**HOUSE COMMITTEE ON FINANCE
TESTIMONY REGARDING SB 199 SD 1
RELATING TO TAXATION**

TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)

DATE: MARCH 25, 2009

TIME: 4PM

ROOM: 308

This measure proposes an automatic repeal date for all income tax credits in Chapter 235, Hawaii Revised Statutes, beginning in 2011.

The issue of repealing various tax credits was proposed by previous Tax Review Commissions. The Department of Taxation (Department) **has strong concerns with the current version.**

THESE CREDITS WERE IMPORTANT AT SOME POINT—Chapter 235, Hawaii Revised Statutes, contains several generous credits relating to income taxation. In its policy-making capacity, the Legislature at some point deemed these credits to be important incentives to encourage growth or behavior of businesses in Hawaii.

TAX CREDITS ARE LEGITIMATE—The Department reminds the Committee that tax credits and tax incentives are a legitimate means of supporting businesses or encouraging certain behavior in Hawaii's business community. However, where there exists countless credits and the proverbial exception begins to consume the general rule. In the case of tax law, the myriad number of tax credits available for special interest quickly consumes the presumption that income is taxable and relieves many trade groups or their beneficiaries from paying their fair share.

TWO-THIRDS MAJORITY TO CONTINUE TAX LEGISLATION—The Department takes no position on the provision requiring a two-thirds majority vote of each house to continue a tax incentive. However, the Department lauds the attempt to ensure a tax credit benefit is worth the state's investment by ensuring a large number of legislators agree to a continuation. Such a provision mandates that a benefiting industry or group perform as anticipated by the Legislature.

WHOLESALE REPEAL SHOULD BE HANDLED CAUTIOUSLY—The Department does not support the wholesale repeal as provided in this measure. The repeal in this bill during the

current economic times could have a devastating impact on the economy. As a general consideration, repeal of the magnitude contemplated by this legislation should be approached cautiously. This is a particularly serious responsibility, since these tax provisions will completely disappear without a sound basis for legislative intervention.

THE CREDIT FOR TAXES PAID TO OTHER JURISDICTIONS WILL LIKELY NEED TO BE REMOVED FROM REPEAL LIST—The Department points out that the tax credit for taxes paid to other jurisdictions contained in HRS § 235-55 should be removed from the automatic repeal because this credit is necessary for constitutional purposes. The US Constitution prohibits double taxation at the state level.

OTHER CREDITS IN OTHER CHAPTERS—The Department also suggests adding similar provisions in the franchise tax, public service company tax, and insurance premium tax chapters in order for their to be uniformity in application of the credits. These chapters have similar tax credits applicable in chapters other than chapter 235.

REVENUE ESTIMATE—This measure is anticipated to result in a revenue gain of approximately \$48.2 million (FY11), \$146.2 million (FY12 and thereafter), assuming the credits are repealed on the dates given in the measure.

LINDA LINGLE
Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512

SANDRA LEE KUNIMOTO
Chairperson, Board of Agriculture

DUANE K. OKAMOTO
Deputy to the Chairperson

**TESTIMONY OF SANDRA LEE KUNIMOTO
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON FINANCE
WEDNESDAY, MARCH 25, 2009
4:00 P.M.
ROOM 308**

**SENATE BILL NO. 199, SD1
RELATING TO TAXATION**

Chairperson Oshiro and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 199, SD1, which proposes to repeal various income tax credits and deductions. While we are sensitive to the economic situation facing the State and recognize the merits of the bill, we are opposed to the repeal of Section 235-110.93, Hawaii Revised Statutes.

The repeal of this section would effectively eliminate the most important of all of the incentives created in the 2008 session to start the process to designate and protect important agricultural lands (IAL) as mandated by the State constitution. It has been 30 years since Article XI; section 3 was added to the constitution. During that period, thousands of prime agricultural lands were lost to development. Now, more than ever, in these uncertain times, we need to ensure that the state will have a minimum level of food self-sufficiency which requires the utilization of our most productive lands.

The incentives are working. Within six months of the passage of the incentives, a landowner has initiated the process to designate thousands of acres as IAL. In both the short and long-term, protecting and using our important agricultural lands will contribute to our economic recovery and growth. Using our important agricultural lands to grow food for local and visitor consumption rather than rely on imports can make a

significant impact on our economy. It has been estimated that using our agricultural lands to replace just 10% of the food we import could generate an economy-wide impact of \$188 million in sales, \$47 million in earnings, \$6 million in state tax revenues, and more than 2,300 jobs. Please do not stop 30 years of effort to protect Hawaii's agricultural lands and jeopardize the State's future ability to feed its people.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

LINDA LINGLE
GOVERNOR
THEODORE E. LIU
DIRECTOR
MARK K. ANDERSON
DEPUTY DIRECTOR

No. 1 Capitol District Bldg., 250 South Hotel St., 5th Flr., Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

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**Statement of
THEODORE E. LIU
Director**

Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE

Wednesday, March 25, 2009
4:00 PM
State Capitol, Conference Room 308

in consideration of
**SB 199 SD1
RELATING TO TAXATION.**

Chair Oshiro, Vice-Chair Lee and Members of the House Committee on Finance.

The Department of Business, Economic Development, and Tourism (DBEDT) offers the following comments on SB 199, which sets a group of tax credits and exemptions for repeal on December 31, 2010.

We concur that it is important to examine tax incentives on a regular basis for their effectiveness and transparency and we support reviews of their proven track-record in the areas of spurring economic activity and supporting the goals of the state.

DBEDT would like to provide information regarding the importance of a few of the tax credits affected by this bill.

The repeal of the ethanol facility tax credit, Section 235-110.3, would reduce the likelihood of the construction of local ethanol production facilities. Some may be misled to view the proposed change as a means to remedy the current budget situation. That interpretation would be incorrect. The actual amount of this credit that has been used is \$0, and will continue to be \$0, until fuel production facilities have been built and are in production. Since the ethanol production facilities are required to file notices in advance of facility construction, and again upon commencement of ethanol production, and the tax credit

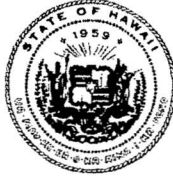
is not available until after the facility has produced at least 75% of its nameplate capacity (i.e. at least 9 months after start of production), there is significant advance notice before any funds are paid out for this incentive. These provisions provide lead time for the State to plan for anticipated expenditures under this program. To eliminate the incentive at this date would put potential projects in jeopardy; signal to those in the investment community a lack of our commitment to the goals of diversification of energy supplies and use of renewable fuels; and weaken our progress towards the energy and economic diversification objectives of the State.

The renewable energy technologies income tax credit was evaluated and found to have a positive revenue impact, with the State realizing an internal rate of return on the tax credit (due to increased economic activity) of approximately 18.1%. The installation of renewable energy systems also improves Hawaii's energy security; diversifies our energy mix; and reduces emissions.

The motion picture, television and digital media refundable credit, known as Act 88, has generated \$323 million in revenues to the state since it took effect July 1, 2006. This infusion into the state's economy contributed to a record year of production in 2007 with a major feature film being shot in every county in addition to the hit TV show *Lost*, now in its fifth season on Oahu. The film marketplace has become fiercely competitive on a global scale, with Hawaii competing for its share of production business mostly with other countries rather than U.S. states. To the extent we can meet that competition with reasonable incentives, Hawaii will continue to attract production business to our islands, which in turn will provide economic stimulus and support workforce development in the creative sectors. We must be mindful that the global entertainment industry gravitates to places they can depend upon for stability and certainty in their production planning. Hawaii needs to be careful it does not inadvertently drive production away by contemplating changes in current film incentive programs for our state.

Thank you for the opportunity to offer these comments.

Linda Lingle
GOVERNOR



KAREN SEDDON
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO

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

HOUSE COMMITTEE ON FINANCE

March 25, 2009, 4:00 p.m.
Room 211, State Capitol

In consideration of
S.B. 199, S.D. 1
RELATING TO TAXATION.

The HHFDC **opposes** S.B.199, S.D. 1 because of the negative impact on the provision of affordable housing. We defer to the appropriate state departments and agencies with respect to the remainder of the bill.

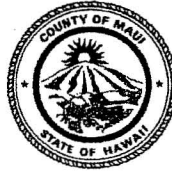
This bill repeals section 235-110.8, Hawaii Revised Statutes (HRS) as of December 31, 2010. Section 235-110.8 establishes the State Low Income Housing Tax Credit (LIHTC) for eligible affordable rental housing projects. The LIHTC is taken over a 10 year credit period, and, since it is paired with the Federal LIHTC, is heavily regulated by the Internal Revenue Service, to ensure that the projects allocated credits meet requirements. All LIHTC-financed rental units are targeted at low-income seniors and families earning 60 percent or less of the area median income. Without the LIHTCs, additional state subsidies will be required to support the development of rental housing for low-income households.

We urge the Committee to delete references to LIHTCs from this bill. Thank you for the opportunity to testify.

CHARMAINE TAVARES
MAYOR

DEIDRE M. TEGARDEN
OED COORDINATOR

BENITA BRAZIER
FILM COMMISSIONER



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Office of Economic Development
COUNTY OF MAUI – Kalana O Maui

February 25, 2009
Testimony from
Benita Brazier
Maui County Film Commissioner

House Committee on Finance

March 25, 2009 , 4:00pm
State Capitol, Conference Room 308

RE; SB199 SD1 – Relating to Taxation

Dear Chair Oshiro, Vice-Chair Lee and members of the committee:

As the film commissioner from the County of Maui, I strongly **oppose** the portion of SB199 SD1 that applies to 235-17. This is the refundable tax credit, known as Act 88. I respectfully request that you remove its reference from the measure. While I understand that we find ourselves in economically challenging times, this measure is a fiscally responsible credit.

The bill named Act 88 does not take money from the general fund – it is revenue neutral. Language in the bill bases the credit on a percentage of what is actually spent by a production company. Since its signing in 2006 the measure has generated over \$300 million dollars in direct expenditures into the local economy at no cost to the state.

This bill has created hundreds of direct industry jobs as well as creating business opportunities for hundreds of vendors throughout the state.

Finally, the bill provides the state with millions of dollars in free advertising.

As I mentioned, I am well aware and understand that a review of all credits has become necessary; however, I feel that the above information strongly supports the fact that this measure is part of the solution and not part of the problem.

I respectfully request you eliminate Section 235-17 from the measure.

I thank you for the opportunity to provide testimony.

OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU

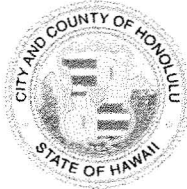
HONOLULU FILM OFFICE

530 SOUTH KING STREET, ROOM 306 • HONOLULU, HAWAII 96813

PHONE: (808) 527-6108 • FAX: (808) 527-6102

EMAIL: info@filmhonolulu.com • WEB: <http://www.filmhonolulu.com>

MUFI HANNEMANN
MAYOR



WALEA CONSTANTINAU
FILM COMMISSIONER

Testimony of Walea Constantinou, Film Commissioner
Honolulu Film Office - Office of the Mayor
City and County of Honolulu

HOUSE COMMITTEE ON FINANCE

March 25, 2009 – 4pm
State Capitol, Conference Room 308

RE: SB199 SD1 - Relating to Taxation

Dear Chair Oshir, Vice Chair Lee and members of the committee:

I **oppose a portion of SB199 SB1 that seeks to alter Section 235-17** that would adversely affect the basic refundable 15-20% film tax credit known as Act 88.

I appreciate the long-standing support the legislature has given the film industry and the particular attention that legislators, the administration and the industry cooperatively engaged in when developing Act 88. The measure has served to **attract and encourage more than \$300M of spending** in the state from July 2006 (it's inception) through October 2008, **at no cost to the state.**

The bill was designed to be **revenue neutral** and numbers confirm that the intent is being met and exceeded. For calendar year 2007, the **state netted an estimated \$11 million in tax revenue, after the payout of the credit.**

Couple this with the knowledge that the bill has served to create a jobs across a broad spectrum, contributed to workforce development, supported our #1 industry, tourism with literally thousands of hotel room nights as well as millions of dollars of free advertising, and you see why we feel that Act 88 is a part of the **SOLUTION** and not a contributor to the economic challenge we now find ourselves in.

I respectfully request that the provision that speaks to Act 88, referred to as Section 235-17 in the measure, be removed from the bill.

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Repeal tax credits

BILL NUMBER: SB 199, SD-1

INTRODUCED BY: Senate Committee on Ways and Means

BRIEF SUMMARY: Adds a new section to HRS chapter 235 to repeal the following effective for tax years beginning after December 31, 2010:

- 235-12.5 Renewable energy technologies; income tax credit
- 235-15 Tax credits to promote the purchase of child passenger restraint systems
- 235-17 Motion picture, digital media, and film production income tax credit
- 235-55 Tax credits for resident taxpayers
- 235-55.6 Tax credits for household and dependent care services necessary for gainful employment
- 235-55.7 Income tax credit for low-income housing renters
- 235-55.85 Refundable food/excise tax credit
- 235-55.91 Credit for employment of vocational rehabilitation referrals
- 235-71 Tax on corporations; rates; credit of shareholder of regulated investment company
- 235-110.2 Credit for school repair and maintenance
- 235-110.3 Ethanol facility tax credit
- 235-110.46 Attractions and educational facilities tax credit; Ko Olina Resort and Marina; Makaha Resort
- 235-110.51 Technology infrastructure renovation tax credit
- 235-110.6 Fuel tax credit for commercial fishers
- 235-110.7 Capital goods excise tax credit
- 235-110.8 Low-income housing tax credit
- 235-110.9 High technology business investment tax credit
- 235-110.91 Tax Credit for Research Activities
- 235-110.93 Important agricultural land qualified agricultural cost tax credit

The ability to claim a tax credit that has not been exhausted in subsequent tax years shall not be affected by the repeal of that tax credit; provided the exhaustion of tax credits in subsequent years shall be governed by the specific provisions of each credit.

Effective July 1, 2009, any legislation establishing any tax credit shall require a two-thirds vote of the members to which each house of the legislature is entitled for passage.

EFFECTIVE DATE: July 1, 2090

STAFF COMMENTS: This measure repeals various tax credits of the state income tax law. This measure is, no doubt, proposed to address concerns about the plethora of targeted business tax credits adopted in

recent years. With everything from investments in high technology to ethanol producing plants to tax credits for hotel construction and home renovation and construction, taxpayers have been asked to pay for projects for which there are just promises that jobs will be created or new businesses will be attracted to provide those jobs. At the end of the day, while the beneficiaries laugh all the way to the bank with their profits, the taxpayer is left empty-handed. It should be remembered that giving tax breaks to one select group of taxpayers comes at the expense of all other taxpayers. As such, it is an insult to all other taxpayers that they are not deserving of such tax preferences. Rather than singling out a particular area for tax relief, concurrent efforts must be made to improve Hawaii's business climate to enhance the economic prospects for all businesses.

While there is no doubt that many of the income tax credits deserve to be repealed, a blanket repeal, as proposed by this measure, may result in some unexpected consequences. The repeal of the capital goods excise tax credit under HRS section 235-110.7 and the fuel tax credit for commercial fishers under HRS section 235-110.6 would result in higher operating costs for businesses that, no doubt, will be passed on to consumers in the form of higher prices of goods. However, in the case of the latter, the credit for fuel taxes paid by commercial fishing boats should be a charge against the transportation fund which benefits from those receipts, not the general fund as is currently the case. In the case of the capital goods excise tax credit, the credit was to offset the cost of the general excise tax imposed on the acquisition of capital goods which are key to the creation of new jobs. On the other hand, other provisions repealed, such as the child passenger restraint tax credit, are justified due to the state's mandatory seat belt law.

Care should also be exercised in repealing tax credits which are designed to offset the regressivity of other taxes like the general excise tax such as the renters tax credit, the dependent care credit, refundable food/excise tax credit for low-income wage earners and the low-income housing tax credit. While the tax credit for resident taxpayers (HRS 235-55) may appear questionable, it should be remembered that this tax credit recognizes that the taxpayer has paid taxes to another jurisdiction where the income was earned or realized. To completely repeal this credit would impose the state tax on income that was paid as taxes to another jurisdiction.

Those tax credits of questionable existence are those that were granted as incentives to encourage taxpayers to engage in certain types of behavior. Whether or not these tax credits should be continued is a matter of policy for the legislature to reaffirm. If these tax credits are deemed necessary to maintain a specific type of activity, lawmakers should justify the contribution to the economy the activity makes and acknowledge that such incentives come at the expense of all taxpayers. It should be remembered that good tax policy should not cause taxpayers to act in a certain way or alter their behavior that engenders inefficiencies.

While this measure proposes to implement a recommendation of not only the most recent Tax Review Commission, but previous commissions as well, that is to minimize or eliminate all tax credits, the elimination of some of these tax credits may cause more inequities and problems. A closer examination of each of these tax credits should be performed by the department of taxation which would provide the rationale for the tax policy behind each of these credits. Thus, the Tax Review Commission's recommendation deserves a measured and learned response.

HAWAII FILM & ENTERTAINMENT BOARD



*Brenda Ching, Chair
Screen Actors Guild*

Chris Conybeare, Esq.

*Donovan Ahuna
I.A.T.S.E., Local 665*

*Benita Brazier
Maui Film Commission*

*Walea Constantinau
Honolulu Film Office*

*Donne Dawson
Hawaii Film Office*

*Jeanne Ishikawa
Teamsters, Local 996*

*Leroy Jenkins
H.I.F.A.*

*John Mason
Big Island Film Office*

*Brien Matson
A.F.M., Local 677*

*Stephanie Spangler
F.A.V.A.H.*

*Art Umezu
Kauai Film Commission*

*Randall Young
I.B.E.W., Local 1260*

HOUSE COMMITTEE ON FINANCE

March 25, 2009 – 4pm
State Capitol, Conference Room 308

RE: SB199 SD1 - Relating to Taxation

Dear Chair Oshiro, Vice Chair Lee and members of the committee:

The Hawaii Film and Entertainment Board, whose members include all of Hawaii's film unions, film commissions and leading industry associations, thank the legislature for its strong support of Hawaii's film industry but **oppose the portion of SB199 SD1** that would make changes to Act 88, referenced as Section 235-17.

We respect the tough job at hand and to assist with your decision-making, submit that Act 88 is a part of the **SOLUTION** and not a part of the problem because:

- Act 88 is a **fiscally responsible bill** that is **NOT A DRAIN** on the general fund
- Act 88, **has GENERATED REVENUES** for the state while providing significant economic stimulus

In addition, Act 88:

- **creates jobs**
- **supports visitor industry** infrastructure
- provided millions of dollars of **free advertising** for Hawaii

It applies statewide and has generated **over \$300M of direct spending** into all four of Hawaii counties at **NO EXTRA COST TO THE STATE**. Attached please find a summary of the numbers compiled with the assistance of economist, Dr. William Boyd, that show that over \$11M in revenues was generated, after the payout of the credit for calendar year 2007.

The HFEB board, and over 450 members of its various entities, respectfully request that Act 88 **remain as written** so it can continue to be a significant economic stimulus for Hawaii.

Sincerely,

Brenda Ching
Chair

Attachments: Act 88 Petition; 2007 Act 88 ROI spreadsheet

2007 Economic Impact estimates - Act 88 and non-Act 88 Scenario

Oahu split calculated at	50%		
NI split calculated at	50%		
Oahu cost	15% x estimated split		\$11,592,208
NI cost	20% x estimated split		\$15,456,277
	\$77,281,387 Oahu split		
	\$77,281,387 NI split		
	Total Act 88 cost:		\$27,048,486
	Indirect Impact (Production Spend x multiplier)		\$294,997,152
	Indirect revenues generated =		\$66,317,189
	Indirect revenues x Revenue calculation =		\$8,621,235
	total direct and indirect impact		\$303,618,387
	multiplier		1.29
Annual Production Spend	\$228,679,963		
Act 88 Spend	\$154,562,775	% of Act 88 total	67.589120%
non-Act 88 Spend	\$74,117,188	% of non-Act 88 total	32.410880%
			100.000000%
Annual Tax Revenues	\$29,728,395	Revenue calculation @	13.00%
Rebate Cost	\$27,048,486	Oahu and NI figures	
subtotal (cost to state)	\$2,679,910	(net gain/net loss)	
Indirect Impact	\$8,621,235		
+ cost to state	\$2,679,910		
TOTAL	\$11,301,144	(net gain/net loss)	

Legend- base figures:

Blue = input figures

Green = formula figures

Black = formula figures with positive results

(Red) = formula figures with negative results

Total figures

Black = net gain to state

(Red) = net loss to state

PETITION IN OPPOSITION TO PROPOSED CHANGES TO ACT 88 (Section 235-17)

Revision date: 3/18/09 7:22 PM

Abrosius	Gregg	production manager	Honolulu
Aguen	Laura	make-up artist	Mililani
Aguinaldo	Arlene	production assistant	Ewa Beach
Aguinaldo	Luke	video editor	Waipahu
Ahuna	Harold	driver	Waimanalo
Akamine	Riley	driver	Kapolei
Akiu	Alvin	greensman	Mililani
Aleck	Nancy	non-profit director	Honolulu
Amaral	William	driver	Kailua
Anbe	Brent	film industry development spec.	Honolulu
Anderson	Tolli	mom of extra	Haleiwa
Andres	Sally	accounts receivable clerk	Honolulu
Anno	Yoshitaka	vice president	Honolulu
Anthony	Benjamin	grip	Honolulu
Archibald	Jo	copywriter	Honolulu
Asato	Charlene	advertising traffic manager	Honolulu
Asiata	Philip	driver	Kaneohe
Atkins	Paul	director of photography	Honolulu
Atkins	Grace	producer / sound mixer	Honolulu
Bacon	Michael	sound mixer	Mililani
Barton	Elizabeth	script supervisor	Kapaa
Bathke	Cory	electrician	Honolulu
Beercka	Meleana	hotel worker	Kahuku
Bell	Sharon	realtor	Honolulu
Bellerose	Ann	sales coordinator	Kahuku
Ben	Marilou	cook helper	Waipahu
Ben	Darlene	cook helper	Waipahu
Benson	Mark	driver	Pearl City
Berger	Bonnei	actor	Waipahu
Berry	Ecstasy	extra	Pearl City
Bertelmann	Carl	driver	Kaneohe
Beteta	Jonathan	hotel worker	Laie
Bhagavan	Ram	actor	Honolulu
Bharel	Chetan	extra	Aiea
Blake-Scott	Aren	make up artist	Koloa
Blue	Maria	activities manager	Waianae
Boomla	Chantal	make-up artist	Kailua
Booth	Shawn	camera pa	Honolulu
Boyd	Lawrence	associate specialist	Honolulu
Boyle	Bob	hotel worker	Kahuku
Boynton	Susan	photographer	Kilauea
Brazier	Benita	film commissioner	Wailuku
Brenner	Renee	accounting	Kahuku
Bresson	John	driver	Honolulu
Brewerton	Katie	project manager	Honolulu
Bright	Fay	actor	Honolulu
Britos	Peter	professor / writer / producer	Honolulu
Brock	Richard	camera dept	Kailua
Brody	Michael	set paramedic	Mililani

PETITION IN OPPOSITION TO PROPOSED CHANGES TO ACT 88 (Section 235-17)

Revision date: 3/18/09 7:22 PM

Buchanan	Anthony	props	Hoolehua
Cabalar Jr	M.	driver	Kapolei
Cadiz	Phillip	hotel worker	Haleiwa
Cambra	Dave		Ewa Beach
Camenson	Anna	driver	Kaneohe
Cannon	Glenn	president, SAG Hawaii branch	Honolulu
Cappos	Constance	costume designer	Keaau
Carley	Erica	extra	Honolulu
Carlson	Juliet	extras casting director	Honolulu
Carrillo	Rubin	cinematographer	Honolulu
Cassity	Clifton	property manager	Kaaawa
Castro	Daren	senior art director	Honolulu
Childers	Andrew	set pa	Honolulu
Ching	Brenda	executive director	Honolulu
Chock	Nilda	Nat'l business agent, AFC-CIO	Honolulu
Cho-Moody	Sylvian	background talent	Honolulu
Christmas	Amy	director of food and beverage - hotel	Kapaa
Chun	Brycen	production assistant	Honolulu
Chunn	Johanna		Honolulu
Clevelend	Katherine	actor	Kailua
Coad	Michael	VP, Admin, cement company	Kaneohe
Coen	Shawn	welder	Honolulu
Colbert	DJ	hair	Honolulu
Cole	Jessica	talent coordinator	Kula
Cole	Josh	stand-in / extra	Honolulu
Collado	Leslene	administrative assistant	Honolulu
Confair-Sensano	Renee	production supervisor	Waialua
Connell	Michael	generator operator	Honolulu
Constantinaw	Walea	film commissioner	Kaneohe
Cook	Jennifer	film school student	Honolulu
Cook	Benjamin	technician	Ewa Beach
Cooper	Richard	assistant director	Kapaa
Costa	Dwayne	driver	Waianae
Cotton	Liz	sales executive	Honolulu
Coyne	Andrew	art director	Keaau
Crammond	Paulette	hair / make-up	Honolulu
Crowell	Oliver	consultant	Honolulu
Dacosin	Darren	driver	Kaneohe
Dahl	Jon	transportation captain	Honolulu
Dahl	Richard	transportation captain	Honolulu
Dahl	Elizabeth	make-up artist	Honolulu
Davey	Jacqueline		Honolulu
Davis	Keith	driver	Mililani
Dawson	Donne	film commissioner	Honolulu
de Abreu	Ja-ne	actor	Honolulu
de la Diosa	Christina	actor	Honolulu
deJung	Vanya	prop master / set dresser	Honolulu
Dicion	Joann	conference service manager	Waialua
Dinion	Steve	musician	Honolulu

PETITION IN OPPOSITION TO PROPOSED CHANGES TO ACT 88 (Section 235-17)

Revision date: 3/18/09 7:22 PM

Dinsmore	Brian	actor / stand-in / double	Eureka, MT
Domingo	Gregory	safety / security officer	Kahuku
Dornan	Dallas	costumer	Kailua
Doversola	Margaret	casting director	Honolulu
Dowell	Joe	driver	Kaneohe
Downey	Miriam	union business agent	Kaneohe
Draheim	William	grip	Honolulu
Drummonds	Jennifer	extra	Ewa Beach
Duarte	Jesse	driver	Honolulu
Duarte	Wiliam	driver	Kaneohe
Ekepati	Niko	driver	Ewa Beach
El Hajji	Moumen	caterer	Honolulu
Elmore	Gerard	director	Kapolei
Esecson	Matt	designer	Kailua
Esecson	Diane	extra	Kailua
Eugenio	Lynnette	advertising executive	Honolulu
Evans	Twylah	extra	Pearl City
Faumuina	Putoto	driver	Honolulu
Ferrer	Leanne	program manager	Honolulu
Fewell	Richard	graphic artist	Mililani
Fishburn	Anna	casting director	Honolulu
Fisher	Thomas	extra	Honolulu
Flanagan	Fionnulua	actor	Beverly Hills, CA
Fleszar	Kendal	make-up artist	Honolulu
Flores	Serena	assistant production coordinator	Miliani
Florez	Connie	director / producer	Honolulu
Fontaine	Renato	grip	Kaneohe
Forsberg	Dana	videographer	Honolulu
Forsyth	Alice	extra	Kaneohe
Fowler	Walter	assist propmaster	Honolulu
Frank	Keith	sfx	Waimanalo
Freeborn	Luke	art director	Honolulu
Fukuda	Sheila		Pearl City
Fukushima	Dirk	producer	Honolulu
Galindez	Richardo	producer	Kailua
Garcia	Vincent	mechanic - heavy equipment	Kapolei
Garrett	Roger	extra	Honolulu
Gerona	Natalie	transportation	Kaneohe
Gilhooly	Susan	driver	Honolulu
Gillett	Kathryn	graphic designer	Honolulu
Goda	Brandon	marketing manager	Honolulu
Golstein	Mathew	actor	Kaneohe
Gomes	Troy	producer/editor	Ewa Beach
Gomes	Dexter	production coordinator	Honolulu
Gomes	Dustin	assist location manager	Kailua
Gonzalez	Elias	restaurant managar	Hauula
Goodwin	Matthew	set pa	Kailua
Grafes	April	extra	Honolulu
Griffiths	John	driver	Honolulu

PETITION IN OPPOSITION TO PROPOSED CHANGES TO ACT 88 (Section 235-17)

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Groden	Richard	driver	Kailua
Gross	Thomas	hotel worker	Honolulu
Hadsell	Laurinda	caterer	Honolulu
Hadsell-El Hajji	Holly	caterer	Honolulu
Hall	Abraham		Honolulu
Hamlett	Kelly	hotel worker	Haleiwa
Hankins	Dana	producer	Honolulu
Hanley	Lauren	production assistant	Honolulu
Hanley	Tom	art director	Honolulu
Harper	Connye	production company owner	Honolulu
Hasson	Walid	hotel worker	Honolulu
Hatchell	Linda	administrative assistant	Kaneohe
Haviland	Wes	producer / writer / actor	Honolulu
Hazelwood	Jennifer	actress	Honolulu
Heimowitz	Josh	executive director	Waiialua
Hernandez	William	driver	Kailua
Higa	Michael	production coordinator	Honolulu
Higuchi	Lisa	writer / producer / director	Kaneohe
Hisamoto	John	producer	Honolulu
Hite	Anthony	security officer	Kahuku
Hoffmann	Craig	props	Honolulu
Holley	Joshua	extra	Waiialua
Holmbeck	Konari	sales manager	Kahuku
Homcy	David	camera assistant	Haleiwa
Hong	Paula	make-up / hair	Honolulu
Hooper	Sarah	production manager	Honolulu
Horowitz	Susan	director	Honolulu
Hugar	Tony	audio technician, business owner	Honolulu
Hulme	Mari	extra	Kailua
Huston	Jan	college professor	Honolulu
Igari	Hirohide	cameraman/production coordinator	Honolulu
Inake	Lauren	associate producer	Waipahu
Inouye	Kevin	administrative assistant	Honolulu
Ishikawa	Jeanne	business agent, local 996	Wahiawa
James	Katherine	costume designer	Kailua
Jenkins	Leroy	producer / company president	Honolulu
Jennings	Grayhmn	set pa	Kailua
Jennings	Singafoa		Honolulu
Johnson	Sandra	producer	Honolulu
Johnson	Wesley	hotel worker	Laie
Johnson	Jill	business agent, local 996	Kailua
Johnston	Anthony	gaffer	Mountain View
Joseph	Genie	producer	Honolulu
Jung	Korina	office worker	Honolulu
Jung Jr	Ted	executive producer	Honolulu
Kaiwi	Alva	foreman	Waianae
Kalaugher	Mark	gaffer	Honolulu
Kanda	Scott	photographer / editor	Honolulu
Kaneshiro	Darrin	producer	Honolulu

PETITION IN OPPOSITION TO PROPOSED CHANGES TO ACT 88 (Section 235-17)

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Kaneshiro	Arryl	project specialist - land management	Koloa
Kanoa	Victor	driver	Honolulu
Katinszky	Jenni	producer	Honolulu
Kato	Stephan	producer	Honolulu
Katz	Emily	dept supervisor - make-up	Kailua
Kau III	Edward	cook helper	Kailua
Kauhi	Keo	driver	Kaneohe
Kauwalu	Cherilyn	executive assistant	Waianae
Kawakami	Chad	driver	Honolulu
Kawamoto	Ryan	director	Honolulu
Kay	Jana	extra	Honolulu
Keamohuli	William	driver	Honolulu
Kekai	Puna	driver	Honolulu
Kekoa	Janice	creative department manager	Honolulu
Kelii	Thomas	electrician	Mountain View
Kelley	Carol	set decorator	Honolulu
Kelly	Michael	production manager	Honolulu
Keomaka	Stanley	operator	Waipahu
Kerian	Thomas	extra	Honolulu
Kim	Susie		Honolulu
Kim	Matt	welder	Kaneohe
Kimura	Roy	director	Honolulu
King	Don	camera operator / dp	Kailua
Kinney	Mel	art dept	Honolulu
Kiyatu	Bliss	account executive	Honolulu
Knowles	Myles	videographer	Kihei
Ko	Helen	advertising executive	Honolulu
Kornegay	Stefanie		Wahiawa
Kowal	Robert	sales executive	Honolulu
Kozuma	Ronan	union president	Honolulu
Krayhill	Kelli	stand-in	Haleiwa
Kribell	Jan	club manager	Haleiwa
Kruse	Emil	pipe repairer	Kaneohe
Krysler	Krystal	extra	Lanai
Kunihara	Duke	actor	Honolulu
Kusano	Hideyo	film school student	Honolulu
Kwak	Charlene	secretary	Honolulu
Laa	Landon	sfx tech	Kaneohe
LaBerge	Nicole	public relations account exec	Mililani
Laguana	Edward	driver	Ewa Beach
Lam Yuen	Sharyl	secretary	Kapaa
LaPorte	Steve	dept head - make-up	Honolulu
Larkin	Sue	casting director	Waianae
Lau	Jann	travel specialist	Honolulu
Lau	Henry		Waimanalo
Lauifi	Frank	propmaker	Kailua
Lee	Keoni	producer	Mililani
Lee	Lance	driver	Honolulu
Lehman	Sheldon	prop master / grip	Kurtistown

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Lehr	Randal	general manager - hotel	Makaha
Leong	Matthew	greensman	Kaneohe
Levine	Liam	actor	Honolulu
Levy	James	key grip	Honolulu
Lewis	Craig	set dressing shopper	Kaneohe
Lewis	John	business owner	Honolulu
Libby	Kenneth	cinematographer	Kaneohe
Lijewski	Dennis	project manager	Ewa Beach
Lindsey	Christopher	security officer	Hauula
Lo	Terri	account executive	Kaneohe
Long	Melanie	broker	Honolulu
Long	Charles	security firm - owner	Honolulu
Loo	Earl	travel agency	Honolulu
Lopez	Scott	film school student	Honolulu
Lorraine	Kay	1st assistant director	Honolulu
Lozano	Victor	marine coordinator	Kaneohe
Lum	Jeff	sales	Honolulu
Lum	Eugene	driver	Aiea
Maduli	Janet	entertainment / talent booker	Honolulu
Maekawa	Mike	location coordinator	Honolulu
Mago	Peter	equipment sales	Kaneohe
Maharaj	Krishneil	extra	Honolulu
Maharaj	Mike		Ewa Beach
Maitrh	Rahul	extra	Kailua
Maltby	Joyce	actor	Kailua
Maness	Jennifer	production coordinator	Honolulu
Martin	Joshua	account executive	Honolulu
Martinez	Charles		Waimanalo
Mason	John	film commissioner	Kailua-Kona
Mastro	Mark	account supervisor	Honolulu
Mathews Jr	Gerald	craft service	Honolulu
Mathis Carmical	Michelle	extra	Wahiawa
Matson	Brien	business agent, local 677	Honolulu
Matthews	William	set designer	Honolulu
Mattos	Wendell	senior editor	Aiea
May	Michael	producer	Honolulu
McClellan	Marc	stand-in	Kaneohe
McGiven	Molly	performer	Honolulu
McKeown	Ward		Honolulu
Medeiros	Joseph	driver	Honolulu
Mick	Marilyn	location manager	Honolulu
Miller	Ryan	extra	Honolulu
Millner	Traci	marketing	Honolulu
Miranda	Melvin	driver	Kamuela
Misty	Abalos	receptionist	Wahiawa
Mitchell	Frank	craft service	Honolulu
Mitchell	Lisa	production coordinator	Honolulu
Mito	Gerald	driver	Kaneohe
Miyata	Joanne	hairstylist	Honolulu

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Moniz	Ryan	lifeguard / emt	Honolulu
Montgomery	Steven	extra	Ewa Beach
Moody	Racer	stand-in	Honolulu
Moody	Fuzzy	stuntman	Honolulu
Moriguchi	Alison		Koloa
Morita	Masahiko	production coordinator	Honolulu
Moriyama	Miki	tourism company worker	Honolulu
Mossman	Delphine	receptionist	Honolulu
Mowry	William	rancher	Hanalei
Murphy	K.	executive assistant	Kaneohe
Nadler	Belinda	mom of extra	Honolulu
Nagai	Masatoshi	coordinator	Honolulu
Nagata	Wade	driver	Honolulu
Nakamoto	Nicle	accounting clerk	Honolulu
Nakamura	Nao	production coordinator	Honolulu
Nakaneiuua	Keoni	driver	Honolulu
Newale	Charles	driver	Kaneohe
Nikolaidas	Nik	owner, computer recycling company	Kaneohe
Nishitani	Koki	production coordinator	Honolulu
Nitta	Mark	producer / director / editor	Waipahu
Nomura	Evan	account executive	Honolulu
Nordlum	John	stuntman	Waianae
Norton	Shanna	set dresser / buyer	Honolulu
O'Connell	Brigid	set pa	Honolulu
Odeon	Juan	film school student	Honolulu
Ohlson	Lee	extra	Honolulu
Olague	Robert	executive producer	Honolulu
Olivares	Doug	camera operator	Honolulu
Olson	Naomi	camera assistant	Honolulu
Olson	Louanna	extra	Honolulu
Omori	Lyssa		Honolulu
Oney	Thomas	accounting clerk	Honolulu
Ongay	Fiona	director of guest services (hotel)	Wahiawa
Osaki	Richard	senior graphic artist	Honolulu
Oshiro	Manami	officer manager	Honolulu
Ozaki	Yumi	director	Honolulu
Pahia	Shyrome	driver	Kahuku
Pait	Sharon	executive assistant	Hanalei
Pallett	Jim	actor	Honolulu
Pang Kee	Andrew	driver	Honolulu
Paongo	Elena	operations	Waianae
Pascua	Lono	a/c contractor	Lawai
Pascua	Bruce	driver	Wahiawa
Patterson	Patricia	driver	Honolulu
Paty	Randolph	assist location manager	Waiialua
Pearson	Wendy	actor	Honolulu
Pedrina	Charlie	graphic designer	Pearl City
Perry	Gordon	music supervisor	Kilauea
Pierce	Don	restaurant managar	Honolulu

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Pike	Rebecca	visitor publications editor	Honolulu
Powell	William	production accountant	Honolulu
Prloster	Michael	camera assistant	Honolulu
Pyburn	Gail	location scout	Papaikou
Ramos	Sunny	driver	Waianae
Ranches	Juju	senior art director	Honolulu
Ranion	Vidal	union trustee	Mililani
Razon	Manuel	electrician	Ewa Beach
Rego Jr	Renny	driver	Honolulu
Reid	Carolyn	travel consultant	Honolulu
Relosimon	Judy	assistant account exec	Honolulu
Reynolds	Sohbi	location manager	Honolulu
Riverio	Mike	producer	Aiea
Riverio	Claire	musician	Aiea
Rodrigues	John	driver	Honolulu
Rodrigues, Jr	Richard	foundation program manager	Honolulu
Rogers	Scott	acting coach	Honolulu
Romano	Michael	electrician	Honolulu
Romualdo	Angelina	hotel worker	Kahuku
Rosen	David	director	Kailua
Royal	Ginger	teacher	Kailua
Ruff	Sean	hotel worker	Kahuku
Russell	George	production coordinator	Honolulu
Ryan	Tim	executive editor	Honolulu
Rydell	Sheila	director, tv studio operations	Honolulu
Rykes	Laine	make-up artist	Honolulu
Saidy	Omar	extra	Honolulu
Sandblom	Marissa	business vp	Waimea
Sardinha	Devin	locations pa	Honolulu
Sasaki	Deborah	print prodution	Honolulu
Sato	Linda	actor	Wahiawa
Sato	Hidemi	graphic designer	Honolulu
Sato	David	camera operator / dp	Honolulu
Scanlan	Tuiaana	grip	Kailua
Scarano	Anthony	casting supervisor	Marina Del Rey, CA
Schopler	Edward	programmer	Kailua
Schwartz	Cathy	production coordinator	Honolulu
Scott	Marie	set nurse	Honolulu
Sears	Leo	producer / film fesitival director	Waikoloa
Seno	Lukas	best boy - electric	Haleiwa
Sereno	James	director / producer	Honolulu
Shah	Rina	extra	Aiea
Shimabukuro	Sheryl	print prodution	Honolulu
Shimabukuro	Shawn	project manager	Waimea
Shirakawa-Baek	Takahiko	travel agent	Honolulu
Shirley	Jonathan	extra	Haleiwa
Silberstein	Morris	location coordinator	Honolulu
Silva	Pat	union agent	Honolulu
Smith	Ben	actor	Honolulu

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Soares	Robert	production director	Honolulu
Sofa	Chadwick	driver	Waianae
Sonada	Harry	driver	Honolulu
Souza	Jonah	route supervisor	Kaneohe
Spangler	Stephanie	location manager	Honolulu
Spangler	Stuart	location manager	Honolulu
Spargur	Patrick	director	Honolulu
Stern	Herman	actor	Honolulu
Sua	Lata	risk manager	Kahuku
Sua	David	driver	Honolulu
Suapaia	Jason	executive producer	Honolulu
Sudipro	Piku	senior copywriter	Honolulu
Sumait	Jeanne	executive assistant	Kahuku
Sunborg	Karen	accountant	Honolulu
Sundby	Sarah	hotel worker	Kahuku
Tang	Jennifer	advertising agency exec	Honolulu
Tanigawa	Stacie	production artist	Honolulu
Tavares	Susan	waste management	Honolulu
Tayomori	Kyle	driver	Honolulu
Teixeira	Alexander	driver	Honolulu
Tepper	Elly		Kailua
Teramame	Marlene	account supervisor	Honolulu
Tereschunk	Michael	wardrobe	Honolulu
Thornton	Michael	film distributor	Honolulu
Tillson	Angela	location manager	Kapaa
Tobaru	Peggy	database operator	Kaneohe
Trask-Batif	Lakea	writer / producer	Honolulu
Tresler	Michael	senior vp, land management	Lihue
Triplett	Jim	location manager	Honolulu
Troy	Rita	key hair	Mashpee, MA
Tseng	Brian	extra	Honolulu
Tunney	Edward	gaffer	Honolulu
Tupai	Pisa	operations manager - security co.	Honolulu
Tupai	Mate	supervisor - security co.	Honolulu
Turner	Jennifer	rental coordinator - tent rentals	Haleiwa
Uy	Tammy	creative director	Kailua
Vaughn	Floyd	actor	Honolulu
Vendiola	Amanda	hotel worker	Kahuku
Vendiola	Melvin	foreman	Ewa Beach
Vera	Marisa	hotel worker	Wahiawa
Vidal	Aaron		Ewa Beach
Visser	Thomas	sound department	Honolulu
Wade	Angela	extra	Honolulu
Wagner	Michael	art director	Honolulu
Wagner	Brett	director	Honolulu
Wallace	Keoki	hotel worker	Hauula
Walter	Jeremy	cook helper	Honolulu
Walther	Kent	extra	Honolulu
Wilkins	Michael	hotel worker	Waialua

PETITION IN OPPOSITION TO PROPOSED CHANGES TO ACT 88 (Section 235-17)

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Williams	Jennifer	producer	Aiea
Wills	Bechy	casting assistant	Honolulu
Winston	Laura	nurse	Wahiawa
Wiss	Larry	actor	Honolulu
Wong	Susan	sales manager - hotel	Honolulu
Wong	Ben	producer	Kaneohe
Wong	Walter	construction	Laie
Wray	John	broadcast manager	Honolulu
Yadao	Linda	producer	Waiialua
Yankee	Dennis	extra	Honolulu
Yanza	Dinah	RN case manager	Honolulu
Yasufuku	Miki	assist location manager	Honolulu
Yasutake	Michael	cinematographer / editor	Honolulu
Yoshikawa	Clinton	driver	Honolulu
Yotsuya	Stacy	account executive	Honolulu
You	Justin	project coordinator	Pearl City
Yu	Gary-Lee	security officer	Hauula
Yu	Vernon	attorney	Honolulu
Zeng	Minyi	information tech worker	Honolulu
Ziegler	Daniel	writer / director	Honolulu
Zucker	Robyn	costumer	Haleiwa
Zylstra	Gregg	extra	Honolulu



Hawaii Farm Bureau
F E D E R A T I O N

2343 Rose Street, Honolulu, HI 96819

Phone: (808) 848-2074; Neighbor Islands: 1-800-482-1272

Fax: (808) 848-1921; e-mail: info@hfbf.org

TESTIMONY

HOUSE COMMITTEE ON FINANCE

RE: SB199SD1: RELATING TO TAXATION

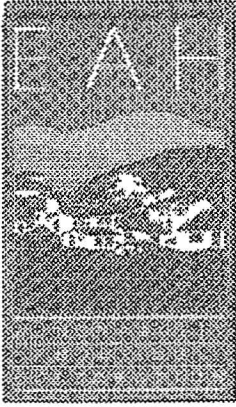
Chair Oshiro and Members of the Committee:

Hawaii Farm Bureau Federation on behalf of our member farm and ranch families and organizations is in strong opposition to portions of SB199, repealing tax credits relating to Important Agricultural Lands.

During economic hard times, the fragile tend to be impacted more severely than others in the population. Hawaii's agriculture is in just that category. Astronomical input costs have put our farmers at risk farm ahead of other business categories. While paying higher input costs, they have not been able to pass them on to the consumer, resulting in reduced profitability and in some cases suffering losses. In effect, our farmers and ranchers are imposing a form of tax on themselves by absorbing losses in their operations.

Recognizing the need of long term sustainability for agriculture in Hawaii, we embarked on a path to identify ways to ensure long term agricultural viability. By having viable farms and ranches, the lands would be in agriculture for future generations. The IAL Qualified Agricultural Cost Tax Credit provides for this goal. Unlike material things such as televisions and automobiles, food and fiber is the very basis of human life. As an isolated island state, it makes sense to provide some level of stability for the industry that provides for this very basic need. During difficult economic these incentives become especially important.

We respectfully request that the repeal of tax credits relative to section 235-110.93, Important Agricultural Lands Qualified Tax Credits be removed from this measure. Thank you.



March 23, 2009

Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee Vice Chair
House Committee on Finance
State Capitol
Honolulu, Hawaii 96813

Subject: S.B. No. 199, SD1 & S.B. 1247, SD2; Hearing on March 24, 2009,
4:00PM, **Testimony in Opposition**

Dear Chair Oshiro, Vice Chair Lee and Members of the House Committee on Finance:

EAH Housing is strongly opposed to S.B. 199, SD1 and S.B. 1247, SD2 and any other initiative that would repeal Low Income Housing Tax Credits (LIHTCs) as proposed in both bills and we are also opposed to the repeal of the General Excise Tax exemption for certified affordable housing projects as proposed in S.B. 1247.

EAH Housing is a non-profit public benefit corporation dedicated to developing, managing, promoting and preserving affordable rental housing. We depend on the LIHTC program to provide a large part of our equity financing in developing new rental housing and in acquiring and rehabilitating (preserving) older rental housing such as Kukui Gardens.

With the State now looking closely at ways to convert existing public housing into mixed income developments it is counterproductive at the same time to consider elimination of critical sources of financing to enable that transition. It is also counterproductive to consider eliminating the General Excise Tax exemption for certified affordable housing projects because this will add to the cost of development and preservation and on-going operations as well. Developing affordable housing is not easy! If it was we would have more of it. These bills will make the process harder than it already is and who suffers? The people of Hawaii suffer for the lack of an affordable place to call home.

Our State and our Counties should be creating ways to hasten the development of affordable rental housing and to reduce costs and create incentives to developers. S.B. 1247 and S.B. 199 do exactly the opposite.

Thank you for this opportunity to submit our thoughts.

Sincerely,

Kevin R. Carney, (PB)
Vice President, Hawaii

**SB 199 SD1
RELATING TO TAXATION**

**PAUL T. OSHIRO
MANAGER – GOVERNMENT RELATIONS
ALEXANDER & BALDWIN, INC.**

MARCH 25, 2009

Chair Marcus Oshiro and Members of the House Committee on Finance:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B) and Hawaiian Commercial & Sugar Company, one of its agricultural companies, on SB 199 SD1, "A BILL FOR AN ACT RELATING TO TAXATION."

After over twenty five years of debate, negotiation, and compromise, the IAL Law was finally passed in the 2005 Legislative Session. After years of pursuing a land-use approach to this constitutional mandate, the IAL law that was successfully passed was one premised on the principle that the best way to preserve agricultural lands is to preserve agricultural businesses and agricultural viability. As such, Act 183 (2005) not only provides the standards, criteria, and processes to identify and designate important agricultural lands (IAL) to fulfill the intent and purpose of the Hawaii State Constitution, it also provides for the passage of a package of incentives designated to support and encourage sustained, viable agricultural activity on IAL—prior to the designation of IAL. Act 233 (2008) contains the comprehensive package of incentives to attract the broad spectrum of parties needed to build and foster a viable agricultural industry in Hawaii—to incent farmers, landowners and farmer/landowners, of all sizes, with varying situations and needs, to commit to both designating and farming IAL.

This bill repeals several tax credits including the IAL Qualified Agricultural Cost Tax Credit, which is a part of the comprehensive package of IAL incentives in Act 233 (2008). Not only will this tax credit encourage investment in agricultural infrastructure and operations on IAL, it will greatly assist these dedicated farmers with the basic costs of farming, assisting their viability which is particularly key as many have been badly weakened financially by the impacts of the past two years of unprecedented drought in Hawaii. Furthermore, this tax credit, as part of the comprehensive package of IAL incentives, is central to the IAL law—intended to encourage farmers and landowners to consider the voluntary designation of their agricultural lands as IAL, a process that is currently ongoing and will provide for much quicker designation of IAL. While we understand the fiscal constraints that the Legislature must deal with, we believe that impacting the core aspects of the IAL law may negatively impact the outcome. We also believe that the IAL law should be given a chance to work, the way the Legislature intended it to work when it passed the law. We respectfully request that the provision that repeals this tax credit be deleted from this bill.

Thank you for the opportunity to testify.

SB 199 SD1

RELATING TO TAXATION

**JOEL K. MATSUNAGA
CHIEF OPERATING OFFICER & EXECUTIVE VP
HAWAII BIOENERGY**

MARCH 25, 2009

Chair Oshiro and Members of the House Finance Committee:

I am Joel Matsunaga, testifying on behalf of Hawaii BioEnergy on SB 199 SD1, "Relating to Taxation."

SUMMARY

This bill would repeal various incentives for programs that either currently or could significantly benefit the residents of Hawaii. Hawaii BioEnergy ("HBE") opposes the repeal of the Ethanol Facility Tax Credit (Section 235-110.3) and the High Technology Business Investment Tax Credit (Section 235-110.9) for the following reasons:

1. HBE is currently considering plans to develop locally produced ethanol in Hawaii. Repeal of the Ethanol Facility Tax Credit would either significantly delay or terminate any attempts by HBE to produce ethanol in Hawaii.
2. HBE is also moving forward with the development of other renewable energy projects in Hawaii that could contribute significantly toward addressing the State's energy needs and reducing the State's dependence on imported fuels. Repeal of the High Technology Business Investment Tax Credit could jeopardize or delay the projects and their

associated environmental, economic, and social welfare benefits to Hawaii's residents.

RENEWABLE ENERGY PROJECTS IN HAWAII

Hawaii BioEnergy is a local company with a mission to help Hawaii toward a sustainable energy future through the production of biofuels from locally grown feedstocks. Among its partners are three of the larger land owners in Hawaii who control in total over 430,000 acres of land. HBE and its partners would like to use significant portions of their land to address Hawaii's energy needs. Since its inception in 2006, HBE has been researching various biofuels alternatives to clearly evaluate each biofuel's relative suitability and sustainability based on Hawaii's natural resource base, climate, market, and infrastructure.

One of those biofuel alternatives that HBE is pursuing is the production of jet fuel and other oil derivatives from micro-algae. Preparations have been underway for many months and facilities to conduct on-site research and development are expected to be in place before this legislative session is done. Algae not only offers Hawaii the benefit of developing a locally produced fuel source, but it also benefits the agriculture industry by providing proteins for animal feed, fertilizers and other locally produced products.

HBE is also currently considering plans to develop locally produced ethanol from sugar cane, sweet sorghum, or other crops that can be processed into ethanol. The production of ethanol in Hawaii will provide its residents with better energy security, create a significant number of jobs, reduce the burning of fossil fuels, and retain dollars in the State's economy rather than sending them overseas.

REPEAL OF INCENTIVES WILL JEOPARDIZE
RENEWABLE ENERGY PROJECTS

Repeal of the Ethanol Facility Tax Credit would likely cause HBE to abandon any consideration of producing ethanol in Hawaii. At a minimum, the repeal would significantly delay any plans to go forward with ethanol production in the State, as the production of ethanol in Hawaii would need to compete against ethanol produced and available on the world markets where land, labor and other costs, including adherence to environmental and other regulations are lower. The current Ethanol Facility Tax Credit helps to offset those cost disparities to the extent that, under the right conditions, HBE would be willing to pursue producing ethanol locally. Further, the credit helps to offset a portion of the risk that first-movers must assume in the establishment of a new industry. Without that credit it would be very difficult, if not impossible, to justify investment in ethanol production facilities in Hawaii.

In addition to ethanol, HBE is also developing other renewable energy sources which will help contribute to a more secure and sustainable energy future for Hawaii. The Company has expended a considerable amount of its investors' funds to date to conduct the research and development to be able to move projects forward that will benefit Hawaii. The availability of the High Technology Business Investment Tax Credit has allowed HBE to maximize our investors' funds with the State's incentives. Without the credit, it is possible that HBE's projects, as well as the benefits they will provide to Hawaii's residents, will be delayed. Based on an independent analysis commissioned by HBE, a large-scale ethanol facility could provide up to 1,400 new jobs and over \$115 million in added value in the State. Those benefits could be in jeopardy should the High Technology Business Investment Tax Credit be repealed.

CONCLUSION

HBE is moving forward with projects that will help to address Hawaii's energy future. Hawaii residents will benefit from:

- Greater energy security from the displacement of fuel imports;
- A cleaner environment from the expansion of sustainable agriculture, the sequestration of CO₂ and harmful green house gas emissions, and reduction of fossil fuel consumption;
- A stronger economy through local job creation and investment in the local economy.

However, the repeal of the Ethanol Facility Tax Credit and the High Technology Business Investment Tax Credit will jeopardize those benefits by either significantly delaying or terminating projects under consideration.

Based on the aforementioned, Hawaii BioEnergy respectfully requests your support in opposing the repeal of the Ethanol Facility Tax Credit and the High Technology Business Investment Tax Credit.

Thank you for the opportunity to testify.

PACIFIC WEST ENERGY LLC

1212 NUUANU #1704

HONOLULU, HI 96817

Tel. 808-927-0619

March 24, 2009

Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice-Chair
And Members of the Committee on Finance
Hawaii State Capitol
415 S. Beretania
Honolulu, HI 96813

Re: SB 199 SD1 – Relating to Taxation

Dear Chair Oshiro, Vice-Chair Lee and Members of the Committee,

My name is William Maloney and I am the President and Chief Executive Officer of Pacific West Energy LLC and its subsidiaries, Kauai Ethanol LLC and G&R Ag-Energy LLC, the developers of the integrated sugarcane to ethanol and green power project on Kauai. I testify today in opposition to SB 199 SD1, and specifically as it relates to Section 12, that may have the impact of repealing the Ethanol Facility Tax Credit, Section 235-110.3 of the Hawaii Revised Statutes.

While it is our understanding that the Ethanol Facility Tax Credit has a sunset date, the language in the statute is ambiguous and we ask that the Committee address this ambiguity.

To provide you some background on our project, Pacific West Energy LLC intends to construct a 15 million gallon per annum fuel ethanol production facility on Kauai. We intend to expand sugar cane cultivation on Kauai to at least 12,000 acres (from the existing 7,000 acres). In addition to producing fuel ethanol for the local Hawaiian motor fuel market we intend to produce approximately 150 million kWh's per year of green electricity for the island's electricity requirements. We recently signed a joint-development agreement with Kauai Island Utility Cooperative ("KIUC") to provide for a power purchase agreement and the securing of debt financing from the US Department of Agriculture's Rural Utility Services agency. Our technology is proven and would involve a process that will yield an energy conversion ratio in excess of 9:1, including cogenerated electricity. To date, we have expended over \$9 million and several years of effort in reliance on the Hawaii Facility Tax Credit.

As some of you may recall, in 2000 and again in 2004 the legislature enacted the Ethanol Facility Tax Credit to stimulate investment in local ethanol production. The provision always had a sunset for the establishment of facilities that could claim the credit, originally it was 2012, but the legislature more recently extended the sunset deadline until 2017. The incentive is designed to make Hawaiian production competitive

with other states providing similar production based incentives, and to offset negative economies of scale associated with local facilities, and to provide some degree of protection from non-domestic imported ethanol, which has also enjoyed much historical governmental support in places like Brazil.

The Ethanol Facility Tax Credit was only approved by the legislature in both 2000 and 2004 after comprehensive reviews that included a detailed fiscal and economic analysis commissioned by DBEDT and prepared for the legislature by Decision Analysts Hawaii Inc. (“DAHI”). The findings were that the incentive would be revenue positive for the State over the life of the project, and most importantly in light of today’s financial crisis, over the project’s development period, ongoing now through 2011. At that time, the project was to be primarily a molasses based facility – today it is a fully integrated sugar cane based facility preserving hundreds of direct jobs and creating directly 130 additional jobs. The fiscal and economic benefits to the State that were positive in 2004 would be far greater today with the expanded project scope. The tax credit also requires that an investment, in our case, more than \$125 million of investment, be made, and that our facility be in operation in order to claim the tax credit, which is then paid out over eight years. We expect to have expended at least \$125 million, over the period 2009 – 2011, prior to any credit being claimed.

Our project has taken much longer to develop than we originally envisaged. There have been many challenges, including the current turmoil in the financial sector, volatility in the energy markets, and securing lands suitable for sugar cane against competing uses. However, we have received our air permit and, as noted above, believe our recent accord with KIUC sets a firm foundation for our project to move forward at an accelerating pace.

In recent months we have secured equity commitments for the project and as noted above we intend to pursue debt financing through the US Department of Agriculture, as well as from private lenders who offered debt financing last fall just prior to the recent lending freeze. Our project is a model for an integrated bio-energy refinery, and it is consistent with the expressed intentions of the Hawaiian legislature to develop indigenous energy resources. Placing the Ethanol Facility Tax Credit in jeopardy has had the impact of freezing both our equity and debt sources. Repealing the credit as of December 31, 2010, prior to the sunset date of 2017 would render the project unable to secure any further debt or equity from any source, kill the ethanol project and result in the loss of all the investments made to date. In the near-term, that will mean the loss of hundreds of jobs on Kauai, an increase in unemployment costs to the State of Hawaii, and a decrease in tax revenues.

As I noted above, it is our understanding that the Ethanol Facility Tax Credit has a sunset date, always intended, and included in the statute as a requirement to claim the credit, with the language, “the qualifying ethanol production facility is in operation on or before January 1, 2017.” However, this language is somewhat ambiguous, as it doesn’t specifically call the deadline a “sunset date” and in the event the Committee determines that it wants to approve the bill, we respectfully request that this ambiguity be addressed,

and that either the bill be revised to confirm that the Ethanol Facility Tax Credit does have a recognized sunset date, or that the Committee Report indicate that the Committee recognizes the sunset date of Section 235-110.3 as January 1, 2017.

Sincerely,

William Maloney

William Maloney
President & Chief Executive Office
Pacific West Energy LLC



WOODBURY
GREEN BUILDING
CONSULTATION

General Contractor License BC -12448

March 24, 2009

COMMITTEE ON Finance
Rep. Marcus Oshiro, Chair
Rep. Marilyn Lee, Vice Chair

NOTICE OF HEARING

DATE: Wednesday, March 25, 2009
TIME: 4:00 p.m.
PLACE: Conference Room 308
State Capitol
415 South Beretania Street

Regarding SB 199

Testimony in Strong Opposition

There is strong, if not overwhelming, support across the political spectrum for the more rapid development and adoption of renewable energy sources and technologies here in our islands. Who among us would dispute the goal of making Hawai'i greener, cleaner and more energy independent?

One of the indispensable factors which has supported the greater use of renewable energies in the state is the State Renewable Energy Technology Tax Credit (235-12.5). This tax credit has served to make these technologies more available and affordable to tens of thousands of Hawai'i home and business owners and has contributed to providing skilled jobs to our workforce.

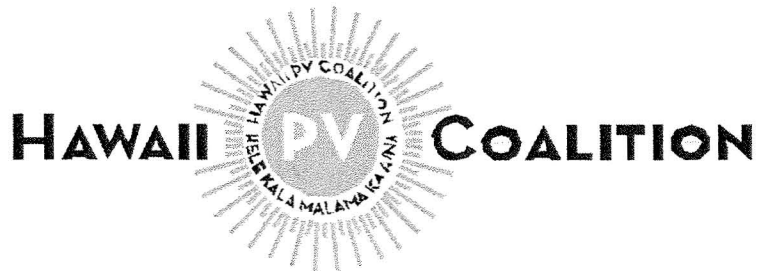
Reducing, restricting or eliminating this tax credit even for an ostensibly temporary period would have a devastating effect on consumer confidence and the public's ability to purchase renewable energy systems as well cause further job losses in the state in an industry that needs to be nurtured and grown.

Finally, taking away or limiting the benefits of this tax credit *retroactively* would be unfair to those businesses and homeowners who have already purchased and installed these systems.

I respectfully urge you to reject this bill. While all of us in the State need to necessarily tighten our belts in these tough economic times, gutting one of Hawai'i's most important means of making Hawai'i nei more energy independent would be decidedly counterproductive.

Thank you for your consideration.

Alex Woodbury



March 24, 2009
Room 016
4 P.M.

House
Committee on Finance
SB199, SD1 Relating to Taxation

Brad Albert
President

Testimony in Opposition

To: Chair Oshiro and members of the committee:

My name is Bradley Albert and I represent The Hawaii PV Coalition, HPVC's member companies are well placed to comment on this particular measure because they install the majority of net-metered PV systems on Oahu, Hawaii Island, and Maui. In addition the HPVC has done extensive community outreach to educate the public about NEM and State and Federal energy tax credits.

The Hawaii PV Coalition strongly opposes SB199, in particular its application to Hawaii Revised Statutes §235-12.5, the renewable energy technologies income tax credit.

HRS 235-12.5 has helped make Hawaii the national leader in the installation of solar water heating systems. In 2008 over 8,400 were installed in Hawaii. This statute also provides a critical incentive and buying signal for ratepayers and businesses seeking to purchase photovoltaic solar electric systems in order to minimize their electric bills.

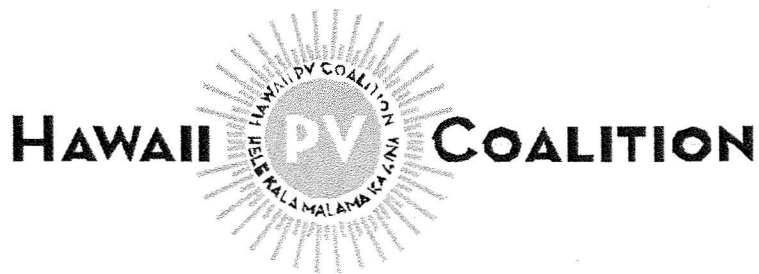
The rapid deployment of all market ready solar energy systems remains a central State of Hawaii energy policy goal. Support for renewables is an essential tenet of the much-publicized State of Hawaii Clean Energy Initiative (HCEI). Simply put, Hawaii will not make significant progress in reducing its dependence on volatile, expensive, and polluting fossil fuels without consistent legislative and regulatory support. Renewables are Hawaii's energy future. The elimination or abridgement of the renewable energy tax credits will be an immediate disaster for the HCEI, electric utility renewable generation and demand-side management programs, ratepayers seeking relief from high energy prices, and the general economy (the renewable energy industry remains one of the few economic sectors experiencing job growth and expansion in Hawaii).

The Sun At The Source Of Life
Mary Kawena Pukui

Post Office Box 81501, Haiku HI 96708

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F 808 575 9878

Info@hawaiipvcoalition.org
www.hawaiipvcoalition.org



Independent analysis has shown that HRS 235-12.5 provides **positive fiscal and economic benefits** to the State of Hawaii. ¹ The elimination or abridgement of this statute will have an immediate adverse impact on general fund revenues, job growth, capital formation and business expansion.

I urge this committee to hold this bill. Thank you for the opportunity to testify.

Solar Now!

Bradley Albert

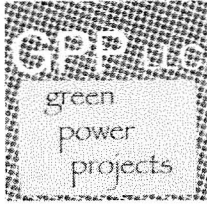
¹ Report of the Energy-Efficiency Policy Task Force, January 2002, DBEDT. It is important to note that the positive fiscal and economic benefits of these credits to the State of Hawaii were calculated using baseline crude oil prices **under \$30/bbl.**

The Sun At The Source Of Life
Mary Kawena Pukui

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Green Power Projects LLC

P.O. Box 818
Haleiwa, HI 96712
T 808.447.9742 F 808.638.7760

TESTIMONY OF ALAN LENNARD
IN REGARD TO S.B. 199, SD1 RELATING TO TAXATION
BEFORE THE HOUSE COMMITTEE ON FINANCE
ON
WEDNESDAY, MARCH 25, 2009

Chair Oshiro, Vice-Chair Lee and members of the committee, my name is Alan Lennard and I represent Green Power Projects LLC, a facilitator of renewable energy systems doing business in Hawai'i.

I strongly oppose S.B. 199, SD1 in particular its application to Hawaii Revised Statutes §235-12.5, the renewable energy technologies income tax credit.

HRS 235-12.5 has helped make Hawaii the national leader in the installation of solar water heating systems. In 2008 over 8,400 were installed in Hawaii. This statute also provides a critical incentive and buying signal for ratepayers and businesses seeking to purchase photovoltaic solar electric systems in order to minimize their electric bills.

The State of Hawaii energy policy goal intended to support enhanced development for renewables is an essential component of the State of Hawaii Clean Energy Initiative (HCEI). Hawaii will not make significant progress in reducing its dependence on fossil fuels without legislative support. The State legislature has consistently supported Renewables and promoted them as Hawaii's energy future. The elimination or abridgement of the renewable energy tax credits will be substantially interrupt the momentum towards integrating renewable energy into the future of Hawai'i and cause an immediate disaster for the HCEI, electric utility renewable generation and demand-side management programs, ratepayers seeking relief from high energy prices, and the general economy (the renewable energy industry remains one of the few economic sectors experiencing job growth and expansion in Hawaii).

Independent analysis has shown that HRS 235-12.5 provides **positive fiscal and economic benefits** to the State of Hawaii.¹ The elimination or abridgement of this statute will have an immediate adverse impact on general fund revenues, job growth, capital formation and business expansion. This is a recipe for disaster and one the State of Hawaii can ill afford now or in the future.

I urge this committee to hold this bill.

Thank you for the opportunity to testify.

Alan Lennard

A handwritten signature in black ink, appearing to read 'Alan Lennard', is written over a horizontal line.

Green Power Projects LLC
Managing Direc

Cellular Bioengineering, Inc.

Invent. Disrupt. Inspire.

SB1247 SD2: Relating to the Economy

Date: March 25, 2009

Time: 3:00 p.m.

Place: Conference Room 308

To: House Committee on Finance

The Honorable Marcus R. Oshiro, Chair

The Honorable Marilyn B. Lee, Vice Chair

From: Michael J. Coy, Vice President, Cellular Bioengineering, Inc. (CBI)

Re: Testimony in Support of SB1247 SD1

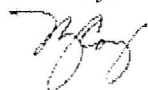
Aloha Chair, Vice Chair and Members of the Committee:

Thank you for the opportunity to testify in support of SB1247 SD2.

CBI has supported and continues to support efforts to review tax credits/exemptions. CBI believes that any such review must include a thorough cost benefit analysis before action is taken to repeal or extend such credits/exemptions. A complete and detailed evaluation of tax credits/exemptions will provide the Legislature with the data it needs to make an objective and informed decision. This measure provides such a thorough evaluation of tax credits.

With help from Act 221, CBI has grown from 2 employees to 30; acquired technologies from leading scientific institutions around the world; harnessed a robust portfolio of over 25 patents and patent applications; developed the world's most advanced artificial cornea technology which holds the promise of restoring vision to 10 million people around the world; commercialized from concept to market a new generation of green technology for surface cleaning and decontamination; brought talented kama'āinas back home to work, thrive, and pay taxes; and demonstrated to the world that it is entirely possible for a Hawaii-based technology company to have impact that is truly global. Without Act 221, many of these feats could not possibly be accomplished in Hawaii.

Sincerely,



1946 Young Street, Suite 288 · Honolulu, Hawaii 96824

Ph: 808.949.2208 · Fax: 808.949.2209

www.cellularbioengineering.com



March 24, 2009

Honorable Marcus Oshiro, Chair
 And Members of the Finance Committee
 State House of Representatives
 Hawai'i State Capitol
 415 South Beretania Street, Room 306
 Honolulu, Hawai'i 96813

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

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David M. Nakamura

Dear Chair Oshiro and Members:

Subject: Senate Bill No. 199
 Related to Taxation

The Mutual Housing Association of Hawaii, Inc. ("Mutual Housing") strongly opposes the portion of Senate Bill No. 199 which repeals the State Low Income Housing Tax Credit ("LIHTC") under HRS §235-110.8 and HRS §241-4.7.

As Hawai'i faces an affordable housing crisis, we have seen our number of homeless growing, while even working families find it necessary to double-up with family or friends. New rental housing production has not kept pace with the loss over the years of affordable housing units through demolition, speculation, and conversion to for-sale units.

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 other funding programs such as tax-exempt bonds, the Rental Housing Trust Fund, the Dwelling Unit Revolving Fund, HOME program and conventional bank loans to make affordable projects financially feasible. Without the State LIHTC, future construction of affordable rental housing will be even more difficult, and Hawai'i will fall further behind in addressing its shortage of rental housing units for our families.

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





March 24, 2009

SENATE BILL 199 SD1: RELATING TO TAXATION

DATE: March 25, 2009
4:00 p.m., Conference Room 308

TO: House Committee on Finance
Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair

FROM: John Kuriyama
General Manager
Oceanit

RE: Testimony in opposition to SB199 SD1

Aloha Chair, Vice Chair, and Members of the Committee:

Oceanit has supported and continues to support efforts to review tax credits/exemptions. Oceanit believes that any such review must include a thorough cost benefit analysis before action is taken to repeal or extend such credits/exemptions. A complete and detailed evaluation of tax credits/exemptions will provide the Legislature with the data it needs to make an objective and informed decision. We believe the process to provide a complete analysis and evaluation of credits/exemptions is contained in SB 1247 SD2 *which is co-sponsored by 19 senators*.

SB 199 SD1 further provides that effective July 1, 2009 enactment of future tax credits would require a 2/3 majority of the total membership in each house. We respectfully submit that such a high threshold may unduly restrict timely legislative action regarding the enactment of beneficial tax credits/exemptions. No such restriction is contained in SB1247 SD2.

Oceanit supports periodic and thorough evaluations of tax credits/exemptions. We believe the process and language set forth in SB1247 SD2 will provide the Legislature with the information it needs to review tax credits/exemptions and will not impose a difficult threshold to meet to enact appropriate and beneficial tax credits/exemptions. Accordingly, we prefer SB1247 SD2.

Thank you for the opportunity to testify on this bill.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John Kuriyama".

John Kuriyama
General Manager
954-4145
jkuriyama@oceanit.com



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March 24, 2009

The Honorable Marcus R. Oshiro, Chair
House Committee on Finance
State Capitol, Room 308
Honolulu, Hawaii 96813

RE: S.B. 199, S.D.1, Relating to Taxation

HEARING DATE: Wednesday, March 25, 2009 at 4:00 p.m.

Aloha Chair Oshiro and Members of the Committee on Finance:

I am Craig Hirai, a member of the Subcommittee on Taxation and Finance of the Government Affairs Committee of the Hawai'i Association of REALTORS® ("HAR"), here to testify on behalf of the HAR and its 9,600 members in Hawai'i. HAR **opposes** Section 17 of S.B. 199, S.D.1, which repeals the Low-Income Housing Tax Credit under HRS §235-110.8.

HAR has historically supported mechanisms to help increase the supply of low and moderate income affordable housing such as the Rental Housing Trust Fund Program which can help integrate the use of mixed-income and mixed-use projects, special purpose revenue bonds, low-interest loans, block grants, low-income housing tax credit programs and deferred loan programs to provide rental housing opportunities.

Rental Housing Trust Fund projects are often aided by equity financing generated from the Low Income Housing Tax Credit under HRS §235-110.8. Repealing this program will clearly reduce the amount of State funding available for desperately needed Rental Housing Trust Fund projects.

You should also be aware that HAR believes that the repeal of HRS §235-110.8 will have the following adverse consequences:

1. With respect to existing projects, the repeal of the Low Income Housing Tax Credits under HRS §235-110.8 will not allow: (a) current investors the use of the full amount of their credits if their 10-year recovery period under HRS §235-110.8(c) and IRC §42(b) extends beyond December 31, 2010; and (b) the State to recapture the credit under HRS §235-110.8(d)(4) and IRC §42(j) in taxable years beginning after December 31, 2010.
2. With respect to projects approved between the date of enactment of S.B. 199, S.D.1, and December 31, 2010, the uncertainty of the continued existence of the Low Income Housing Tax Credits under HRS §235-110.8 will undoubtedly reduce the amount investors will be willing to pay for the credits because they cannot be assured of the use of the credit through its entire 10-year recovery



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period. Again, a logical consequence of such investor action would be a need for additional equity from sources such as the Rental Housing Trust Fund.

For the reasons set forth above, HAR respectfully requests that if Section 17 of S.B.199 is passed in its current form, Section 23 of S.B. 199, S.D.1, be amended to read as follows:

SECTION 23. This Act shall take effect on July 1, 2090; provided that Section 17 shall not apply to low-income housing tax credits awarded under section 235-110.8, Hawaii Revised Statutes, prior to January 1, 2011.

HAR looks forward to working with our state lawmakers in building better communities by supporting quality growth, seeking sustainable economies and housing opportunities, embracing the cultural and environmental qualities we cherish, and protecting the rights of property owners.

Mahalo for the opportunity to testify.



SENATE BILL 199 SD1: RELATING TO TAXATION

DATE: March 25, 2009
4:00 p.m., Conference Room 308

TO: House Committee on Finance
Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair

FROM: Lisa H. Gibson
President
Hawaii Science & Technology Council

RE: Testimony in opposition to SB199 SD1

Aloha Chair, Vice Chair, and Members of the Committee:

The Hawaii Science & Technology Council (HISciTech) has supported and continues to support efforts to review tax credits/exemptions. HISciTech believes that any such review must include a thorough cost benefit analysis **before** action is taken to repeal or extend such credits/exemptions. A complete and detailed evaluation of tax credits/exemptions will provide the Legislature with the data it needs to make an objective and informed decision. HISciTech believes the process to provide a complete analysis and evaluation of credits/exemptions is contained in SB 1247 SD2 *which is co-sponsored by 19 senators.*

SB 199 SD1 further provides that effective July 1, 2009 enactment of future tax credits would require a 2/3 majority of the total membership in each house. We respectfully submit that such a high threshold may unduly restrict timely legislative action regarding the enactment of beneficial tax credits/exemptions. No such restriction is contained in SB1247 SD2.

HISciTech supports periodic and thorough evaluations of tax credits/exemptions. We believe the process and language set forth in SB1247 SD2 will provide the Legislature with the information it needs to review tax credits/exemptions and will not impose a difficult threshold to meet to enact appropriate and beneficial tax credits/exemptions. Accordingly, we prefer SB1247 SD2.

The Hawaii Science & Technology Council (HISciTech) is a 501(c)6 industry association with a 28-member board. HISciTech serves Hawaii companies engaged in ocean sciences, agricultural biotechnology, astronomy, defense aerospace, biotech/life sciences, information & communication technology, energy, environmental technologies, and creative media.

Thank you for the opportunity to testify on this bill.
Lisa H. Gibson
President



700 Bishop Street, Suite 2000 Honolulu, HI 96813

SENATE BILL 199 SD1: RELATING TO TAXATION

DATE: March 25, 2009
4:00 p.m., Conference Room 308

TO: House Committee on Finance
Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair

FROM: Joe Cooper, CFO
Archinoetics LLC

RE: Testimony in opposition to SB199 SD1

Aloha Chair, Vice Chair, and Members of the Committee:

Archinoetics, LLC has supported and continues to support efforts to review tax credits/exemptions. Archinoetics, LLC believes that any such review must include a thorough cost benefit analysis before action is taken to repeal or extend such credits/exemptions. A complete and detailed evaluation of tax credits/exemptions will provide the Legislature with the data it needs to make an objective and informed decision. We believe the process to provide a complete analysis and evaluation of credits/exemptions is contained in SB 1247 SD2 which is co-sponsored by 19 senators.

SB 199 SD1 further provides that effective July 1, 2009 enactment of future tax credits would require a 2/3 majority of the total membership in each house. We respectfully submit that such a high threshold may unduly restrict timely legislative action regarding the enactment of beneficial tax credits/exemptions. No such restriction is contained in SB1247 SD2.

Archinoetics, LLC supports periodic and thorough evaluations of tax credits/exemptions. We believe the process and language set forth in SB1247 SD2 will provide the Legislature with the information it needs to review tax credits/exemptions and will not impose a difficult threshold to meet to enact appropriate and beneficial tax credits/exemptions. Accordingly, we prefer SB1247 SD2.

Archinoetics began operations in 2005 and has grown to 30 Hawaii based employees with a payroll of over \$2 million in 2008. We are a research company that develops intelligent human assistive technologies (i.e. we use sensors and computers to improve peoples' lives). Our subsidiary, Fatigue Science, is implementing an innovative fatigue risk management solution in Australia this month. This technology was an offshoot of a research program funded by the Hawaii Technology Development Venture 4 years ago. With a lot of work, and a little luck, we could grow to be a \$50 million company in

another 4 years. It would be a tragic irony for Hawaii to lose a cutting edge technology that originated here. However, passage of this bill or other changes that create business uncertainty could very well sink this new company.

Thank you for the opportunity to testify on this bill.

Sincerely,

Joe Cooper
CFO
Archinoetics
(808) 741-1684
Joe@archinoetics.com

ProVision Technologies, Inc.



Electrical Contractor C-26351

March 24, 2009

COMMITTEE ON Finance
Rep. Marcus Oshiro, Chair
Rep. Marilyn Lee, Vice Chair

NOTICE OF HEARING

DATE: Wednesday, March 25, 2009
TIME: 4:00 p.m.
PLACE: Conference Room 308
State Capitol
415 South Beretania Street

Regarding SB 199

Testimony in Strong Opposition

There is strong, if not overwhelming, support across the political spectrum for the more rapid development and adoption of renewable energy sources and technologies here in our islands. Who among us would dispute the goal of making Hawai'i greener, cleaner and more energy independent?

One of the indispensable factors which has supported the greater use of renewable energies in the state is the State Renewable Energy Technology Tax Credit (235-12.5). This tax credit has served to make these technologies more available and affordable to tens of thousands of Hawai'i home and business owners and has contributed to providing skilled jobs to our workforce.

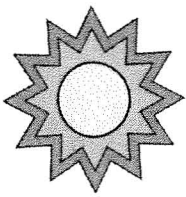
Reducing, restricting or eliminating this tax credit even for an ostensibly temporary period would have a devastating effect on consumer confidence and the public's ability to purchase renewable energy systems as well cause further job losses in the state in an industry that needs to be nurtured and grown.

Finally, taking away or limiting the benefits of this tax credit *retroactively* would be unfair to those businesses and homeowners who have already purchased and installed these systems.

I respectfully urge you to reject this bill. While all of us in the State need to necessarily tighten our belts in these tough economic times, gutting one of Hawai'i's most important means of making Hawai'i nei more energy independent would be decidedly counterproductive.

Thank you for your consideration.

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TESTIMONY OF INTER-ISLAND SOLAR SUPPLY
IN REGARD TO S.B. 199, SD1 RELATING TO TAXATION
BEFORE THE HOUSE COMMITTEE ON FINANCE
ON
WEDNESDAY, MARCH 25, 2009

Chair Oshiro, Vice-Chair Lee and members of the committee, my name is Cully Judd and I represent Inter-Island Solar Supply, a wholesale distributor of renewable energy systems and components established in 1975, and presently doing business on Oahu, Maui, and the Big Island.

Inter-Island strongly opposes S.B. 199, SD1 in particular its application to Hawaii Revised Statutes §235-12.5, the renewable energy technologies income tax credit.

HRS 235-12.5 has helped make Hawaii the national leader in the installation of solar water heating systems. In 2008 over 8,400 were installed in Hawaii. This statute also provides a critical incentive and buying signal for ratepayers and businesses seeking to purchase photovoltaic solar electric systems in order to minimize their electric bills.

The rapid deployment of all market ready solar energy systems remains a central State of Hawaii energy policy goal. Support for renewables is an essential tenet of the much publicized State of Hawaii Clean Energy Initiative (HCEI). Simply put, Hawaii will not make significant progress in reducing its dependence on volatile, expensive, and polluting fossil fuels without consistent legislative and regulatory support. Renewables are Hawaii's energy future. The elimination or abridgement of the renewable energy tax credits will be an immediate disaster for the HCEI, electric utility renewable generation and demand-side management programs, ratepayers seeking relief from high energy prices, and the general economy (the renewable energy industry remains one of the few economic sectors experiencing job growth and expansion in Hawaii).

Independent analysis has shown that HRS 235-12.5 provides **positive fiscal and economic benefits** to the State of Hawaii.¹ The elimination or abridgement of this statute will have an immediate adverse impact on general fund revenues, job growth, capital formation and business expansion. This is a recipe for disaster and one the State of Hawaii can ill afford now or in the future.

I urge this committee to hold this bill. Thank you for the opportunity to testify.

¹ Report of the Energy-Efficiency Policy Task Force, January 2002, DBEDT. It is important to note that the positive fiscal and economic benefits of these credits to the State of Hawaii were calculated using baseline crude oil prices **under** \$30/bbl.

March 24, 2009

COMMITTEE ON Finance
Rep. Marcus Oshiro, Chair
Rep. Marilyn Lee, Vice Chair

NOTICE OF HEARING

DATE: Wednesday, March 25, 2009
TIME: 4:00 p.m.
PLACE: Conference Room 308
State Capitol
415 South Beretania Street

Regarding SB 199

Testimony in Strong Opposition

I respectfully urge you to reject this bill. All of us in the State need to tighten our belts in these tough economic times; however, gutting State support for one of Hawaii's most important means of energy independence would be disastrous.

There is strong, if not overwhelming, support across the political & social spectrums for the rapid development and adoption of renewable energy sources and technologies here in our State. Who among us would dispute the goal of making Hawai'i greener, cleaner and more energy independent?

The State Renewable Energy Technology Tax Credit (235-12.5) has supported indispensably the greater use of renewable energies. This tax credit has served to make these technologies more available and affordable to tens of thousands of Hawaii home and business owners, as well as providing skilled jobs to our workforce.

Approval of the bill would hamper the efforts of those started and pursued by The Department of Economic Development and Tourism; would challenge the goals Hawaii has made to further energy independence; would detrimentally undermine the State's efforts to support the 2006 International Energy Conservation Code (IECC); and would fundamentally cripple the efforts of Hawaii's 2020 Energy Independence Initiative. Moreover, approval of the bill would affect my business directly, as well as gouging a growing market force, resulting in a loss of tax revenue for the State.

Reducing or eliminating the tax credit, even for an ostensibly temporary period, would have a devastating affect on consumer confidence. It would erode the public's ability to purchase renewable energy systems, as well as devastating potential job growth in the State. The State of Hawaii should be at the forefront of this technology. Renewable energy is an industry that needs to be nurtured and grown!

Retroactively restricting or limiting the benefits of this tax credit would be unfair to those businesses and homeowners who have already purchased and installed these systems, to those who based their economic strategy on the fact that the tax credit was indeed available. Please do not pretend that so egregious an attempt at swindling the public would be acceptable

to anyone in the State. The effect could be economically crippling, and would mortally wound our credibility in the industry of alternative energy.

In closing, please reject this anti-renewable, anti-Hawaii bill.
Mahalo

Aaron Spielman
Rhoady Lee Architecture & Design
Hawaii, Hawaii

24 March 2009

COMMITTEE ON Finance
Rep. Marcus Oshiro, Chair
Rep. Marilyn Lee, Vice Chair

NOTICE OF HEARING

DATE: Wednesday, March 25, 2009
TIME: 4:00 p.m.
PLACE: Conference Room 308
State Capitol
415 South Beretania Street

Regarding SB 199

Testimony in Strong Opposition

With respect, I am submitting testimony in strong opposition to the following bill:
SB 199

Being in business myself (three active businesses) I fully understand the meaning and terms of budgets, limited resources, economic down turns, reduced cash flow, etc. In addition, because of the current economic status, all of us here in the state of Hawaii and elsewhere need to make adjustments to meet the shortfalls of this situation. As always in business (and government should be no different), decisions and changes have to be made to reduce operating cost to maximize efficiency. One such choice is to always look for more ways to reduce the cost/consumption of utilities. Eliminating or even reducing the energy tax credits would further set back businesses by restricting their ability to lower their monthly out flow of cash especially for electricity. In addition to businesses, the homeowners who also pay one of the highest electricity rates in the U.S. would also be "condemned" to pay that same monthly expense for life without these tax credits. In turn the existing businesses who are vested into the field of alternative energy would thus attain huge setbacks from the diminished renewable energy technology tax credits surmounting the energy tax credits that these bills would eliminate.

The Department of Economic Business Development and Tourism has made considerable gains towards furthering the state of Hawaii's energy independence and these bills would stifle all that work. This would mean having to have wasted valuable tax dollars spent and budgeted for that very purpose. Besides striving to support the 2006 International energy conservation code IECC, the DEBDT is the state's only entity with the ability to conform to President Obama's

plans for alternative energy and energy independence for America. These bills will put the state of Hawaii several steps backwards from our goal to meet the 2020 energy independence initiative.

All of these bills will negatively affect every person in this state in some form or another. With the inability to move forward to reduce monthly expenses for individuals, families, and businesses the trickle effect will be to reduce spending and inflict more hurt than help our economy. Also affected would be the very industry (alternative energy) that President Obama has planned to build and is instrumental in his economic stimulus plans. For our state that is too dependent upon fossil fuels and where tourism IS our economic base, we should not be closing the doors to any type of industry that could potentially widen our economy. Especially being in a state where we have a wide array of alternative energy sources it would be utterly foolish not to capitalize on that. The state of Hawaii has the potential to be one of the leaders of alternative energy in the U.S. and even reducing or eliminating these tax credits for "short term" purposes would have a devastating effect on our progress. Consumers (individuals and business; and government too) will not be able to afford these renewable energy systems. For individuals and business who have already committed, purchased, and installed these systems; the "retroactive" repeal of these tax credits would be unfair (can't change rules AFTER the "game" has started). This is not only unfair but also WRONG! No one should be subjected to having the "rug being pulled out from under them" after they had worked so hard and complied with the requirements of these tax credits.

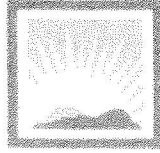
The state of Hawaii is already known for being "anti-business" and the effects of these bills would then prove that label correct. We have growing industries in alternative energy, green building, energy efficiency, and more. We need construction to help our economy, retrofitting would substantially help our economy, the possibilities are there. We need to move from the "old" and into the future. Please don't stop the future of our state.

Thank you very much for your time and attention.

Sincerely,

Kyle H. Onaka

81-6678 Mamao Street
Kealahou, Hawaii 96750



Hawaii Solar Energy Association
Serving Hawaii Since 1977

March 25, 2009
Room 308
4:00 P.M

House
Committee on Finance
SB199 SD1

Mark Duda
President

Testimony in Strong Opposition

Chair Oshiro, Vice Chair Lee and Committee Members:

Hawaii Solar Energy Association (HSEA) is comprised of more than 30 installers, distributors, manufacturers and financiers of solar energy systems, both hot water and PV, most of which are Hawaii based, owned and operated. The organization's primary goals are: (1) to further solar energy and related arts, sciences and technologies with concern for the ecologic, social and economic fabric of the area; (2) to encourage the widespread utilization of solar equipment as a means of lowering the cost of energy to the American public, to help stabilize our economy, to develop independence from fossil fuel and thereby reduce carbon emissions that contribute to climate change; (3) to establish, foster and advance the usefulness of the members, and their various products and services related to the economic applications of the conversion of solar energy for various useful purposes; and (4) to cooperate in, and contribute toward, the enhancement of widespread understanding of the various applications of solar energy conversion in order to increase their usefulness to society.

HSEA members manufacture and install the majority of solar water heating systems, and install the majority of solar PV systems in the State of Hawaii. Our comments on this measure are based on this expertise, and our related experience in other renewable energy technologies.

HSEA makes the following comments in opposition to the elements of this measure dealing with HRS 135-12.5:

HSEA's knowledge of the issues raised by this measure is limited to the provisions addressing HRS 235-12.5, the Renewable Energy Technologies Investment Tax Credit (RETITC). HSEA therefore confines its comments to these same provisions.

SB199 SD1 has the potential to undermine Hawaii's booming solar industry. In 2008, the market for solar water heating was approximately \$60 million and for solar photovoltaics was roughly \$125 million. The industry supplies jobs to roughly 2,000 Hawaii residents. Solar has in fact been among the few bright spots in terms of investment and job growth over the past 9 months, particularly, in the construction sector.

Despite the measure of success it has enjoyed to date, the solar industry is new and vulnerable. Eliminating the Renewable Energy Technologies Income Tax Credit would

send a strong message to the investment community nationally that Hawaii is not interested in capitalizing on its abundant renewable energy resources. Meanwhile, Hawaii's reliance on fossil fuels results in billions of dollars being exported out of state for the purchase of fossil fuels and jeopardizes Hawaii's energy security.

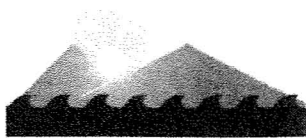
HSEA further notes that this is an especially inopportune time to consider eliminating the tax incentives for solar hot water, solar photovoltaics (PV), and wind. This is the case because renewable energy has substantial stimulus and job creation potential, as recognized by the federal government, which recently extended its solar credit to 2016 and took steps to expedite the payments to investors.

Finally, please note that independent analysis has shown that HRS 235-12.5 provides positive fiscal and economic benefits to the State of Hawaii.¹ The elimination or abridgement of this statute will have an immediate adverse impact on general fund revenues, job growth, capital formation and business expansion. This is a recipe for disaster and one the State of Hawaii can ill afford now or in the future.

HSEA urges the Chair and the Committee to take advantage of the potential that the vibrant solar industry has to contribute to the next stage of Hawaii's economic success by continuing to support the industry at this crucial juncture.

Thank you for the opportunity to testify on this measure.

¹ Report of the Energy-Efficiency Policy Task Force, January 2002, DBEDT. It is important to note that the positive fiscal and economic benefits of these credits to the State of Hawaii were calculated using baseline crude oil prices **under** \$30/bbl.



Aurora Research, LLC

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March 25, 2009

Hawaii State Legislature
State Capitol
Honolulu, HI 96813

Testimony in opposition to SB 199

Committee on Finance

Rep. Marcus R. Oshiro, Chair

Rep. Marilyn B. Lee, Vice Chair

I, Roderick Hinman of Kailua-Kona, Hawai'i, strongly oppose SB 199. Although we possess abundant natural energy resources, Hawai'i is extremely dependent upon imported energy. Because of that fact, there is strong support across the political spectrum for the more rapid development and adoption of renewable energy sources and technologies here in our islands.

One of the factors encouraging the greater use of renewable energies in the state is the State Renewable Energy Technology Tax Credit (235-12.5). This tax credit has served to make these technologies more available and affordable to tens of thousands of Hawai'i home and business owners and has contributed to providing skilled jobs to our workforce.

Reducing, restricting or eliminating this tax credit even for an ostensibly temporary period would have a devastating effect on consumer confidence and the public's ability to purchase renewable energy systems as well cause further job losses in the state in an industry that needs to be nurtured and grown.

Finally, taking away or limiting the benefits of this tax credit retroactively would be unfair to those businesses and homeowners who have already purchased and installed these systems.

I respectfully urge you to reject this bill. While all of us in the State need to necessarily tighten our belts in these tough economic times, gutting one of Hawai'i's most important means of making Hawai'i more energy independent would be decidedly counterproductive.

Sincerely,

Roderick T. Hinman, Ph.D.
Principal Member

FINTestimony

From: Joel Fischer [jfischer@hawaii.edu]
Sent: Monday, March 23, 2009 12:59 PM
To: FINTestimony
Subject: SB199;FIN;3/25/09;4PM;Rm 308
Importance: High

SB199,SD1, Relating to Taxation
FIN; Chair, Rep Oshiro

IN STRONG SUPPORT!

I truly hope that you will pass this bill and advocate for it on the House Floor. That is because tax **credits are fraud!** National research for many years has shown that tax credits are the weakest and worse way to stimulate an economy and/or create jobs! meanwhile, hundreds of millions of dollars have been stolen from the state budget due to these well meaning but erroneous attempts to help.

Tax credits have few if any multiplier effects. many of the benefits leave the state. let's wise up and use the money in state, in direct grants and other investments that have multiplier effects on our local economy.

Thank you for passing this bill.

Aloha, joel

Dr. Joel Fischer, ACSW
Professor
University of Hawai'i, School of Social Work
Henke Hall
Honolulu, HI 96822

"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

March 24, 2009

TO: (808) 586-6001

Testimony for Hearing before the House Committee on Finance
Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair
Wednesday, March 25, 2009, 4:00 p.m.
State Capitol, Conference Room 308

RE: Testimony in opposition to SB199 SD1

Aloha Chair, Vice Chair, and Members of the Committee:

I have supported and continue to support efforts to review tax credits/exemptions. I believe that any such review must include a thorough cost benefit analysis before action is taken to repeal or extend such credits/exemptions. A complete and detailed evaluation of tax credits/exemptions will provide the Legislature with the data it needs to make an objective and informed decision. I believe the process to provide a complete analysis and evaluation of credits/exemptions is contained in SB 1247 SD2 *which is co-sponsored by 19 senators.*

SB 199 SD1 further provides that effective July 1, 2009 enactment of future tax credits would require a 2/3 majority of the total membership in each house. I respectfully submit that such a high threshold may unduly restrict timely legislative action regarding the enactment of beneficial tax credits/exemptions. No such restriction is contained in SB1247 SD2.

I support periodic and thorough evaluations of tax credits/exemptions. I believe the process and language set forth in SB1247 SD2 will provide the Legislature with the information it needs to review tax credits/exemptions and will not impose a difficult threshold to meet to enact appropriate and beneficial tax credits/exemptions. Accordingly, we prefer SB1247 SD2.

Thank you for the opportunity to testify on this bill.

Very Truly Yours,



Alfred B. Fernandes, CPA

FINTestimony

From: Eric Bonnici [ericbonnici@mac.com]
Sent: Tuesday, March 24, 2009 4:26 PM
To: FINTestimony
Subject: Regarding SB 199

March 24, 2009

COMMITTEE ON Finance
Rep. Marcus Oshiro, Chair
Rep. Marilyn Lee, Vice Chair

NOTICE OF HEARING

DATE: Wednesday, March 25, 2009
TIME: 4:00 p.m.
PLACE: Conference Room 308
State Capitol
415 South Beretania Street

Regarding SB 199

Testimony in Strong Opposition

There is strong, if not overwhelming, support across the political spectrum for the more rapid development and adoption of renewable energy sources and technologies here in our islands. Who among us would dispute the goal of making Hawai'i greener, cleaner and more energy independent?

One of the indispensable factors which has supported the greater use of renewable energies in the state is the State Renewable Energy Technology Tax Credit (235-12.5). This tax credit has served to make these technologies more available and affordable to tens of thousands of Hawai'i home and business owners and has contributed to providing skilled jobs to our workforce.

Reducing, restricting or eliminating this tax credit even for an ostensibly temporary period would have a devastating effect on consumer confidence and the public's ability to purchase renewable energy systems as well cause further job losses in the state in an industry that needs to be nurtured and grown.

Finally, taking away or limiting the benefits of this tax credit *retroactively* would be unfair to those businesses and homeowners who have already purchased and installed these systems.

I respectfully urge you to reject this bill. While all of us in the State need to necessarily tighten our

3/24/2009

belts in these tough economic times, gutting one of Hawai'i's most important means of making Hawai'i nei more energy independent would be decidedly counterproductive.

Thank you for your consideration.

Eric Bonnici
www.4Totale.com
1-877-4 Total e
eric@4totale.com

FINTestimony

From: helierock@yahoo.com
Sent: Wednesday, March 25, 2009 11:20 AM
To: FINTestimony
Subject: SB 199 -opposed

To State Legislators;

I write in strong opposition to SB 199, which repeals all renewable energy tax credits for years beginning after 2010.

My husband and I have for many years wanted to install a photovoltaic (PV) energy system on our house, in full recognition of the fact that renewable energy sources are critical to the future of our state and country. However the cost of the system has kept us from proceeding, *until this year*, when we learned that due to the generous energy tax credits recently passed by the state and federal governments, it has finally become affordable for us to take the last big step to become fully "green" in our energy use. If these tax credits were not in place, we would not have been able to take this step.

Just this morning, I read in the newspaper that our local electric company, HELCO, has been able to reduce toxic emissions from their generating plant due, in large part, to the positive effect of adding renewable resources. Many of my friends and neighbors are moving forward to install renewable resources systems, especially PV, and the repeal of this tax credit could put a huge damper on our efforts to help the state in meeting its alternative energy goals.

I therefore ask you to please reconsider this bill, at least by making an exception for renewable energy credits (HRS 235-12.5).

Sincerely,

Helie Rock
Hilo, Hawaii