

STAND. COM. REP. NO. 751

Honolulu, Hawaii

March 6, 2009

RE: H.B. No. 1598

H.D. 1

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 1598 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to provide fairness to lessees who make capital improvements to leased property when the lease is terminated by imposing a tax on lessors for the value of these improvements upon termination of a lease.

Alexander & Baldwin, Inc., testified in opposition to this bill. The Department of Taxation, Tax Foundation of Hawaii, and Hawaii Association of REALTORS® submitted comments.


Your Committee has amended this bill by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1598, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1598, H.D. 1, and be placed on the calendar for Third Reading.

HB1598 HD1 HSCR FIN HMS 2009-2532



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


MARCUS R. OSHIRO, Chair



