

STAND. COM. REP. NO.

745

Honolulu, Hawaii

March 6, 2009

RE: H.B. No. 611
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. 611
entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to ensure the State's fiscal integrity and provide good state fiscal policy by establishing a sunrise and sunset review of certain tax exemptions, deductions, and credits to require legislative review of these programs.

The Hawaii Hotel and Lodging Association supported this bill. The National Fraternal Congress of America, County of Hawaii's Office of Housing and Community Development, Mutual Housing Association of Hawaii, Inc., The Chamber of Commerce of Hawaii, National Association of Insurance and Financial Advisors, Screen Actors Guild - Hawaii Branch, American Council of Life Insurers, Housing Hawaii, The Recording Academy's Pacific Northwest Chapter, Hawaii Pacific Health, and a concerned individual opposed this measure. The Department of Taxation, Department of Business, Economic Development, and Tourism, Hawaii Housing Finance and Development Corporation, Department of Human Services (DHS), Hawaiian Telcom, Hawaii Film & Entertainment Board, Hawaii BioEnergy, The Queen's Medical Center, Covanta Energy Group, Hawaii Association of REALTORS, Hawaii Government Employees Association, Tax Foundation of Hawaii, County of Maui's Office of Economic Development, and Honolulu Film Office submitted comments.

HB611 HD1 HSCR FIN HMS 2009-2848

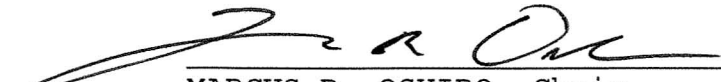


Your Committee has amended this bill by:

- (1) Penalizing erroneous claims for tax exemptions;
- (2) Deleting provisions requiring DHS to evaluate various tax credits or exemptions; and
- (3) Making technical, nonsubstantive changes 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. 611, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 611, H.D. 1, and be placed on the calendar for Third Reading.

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


MARCUS R. OSHIRO, Chair



